

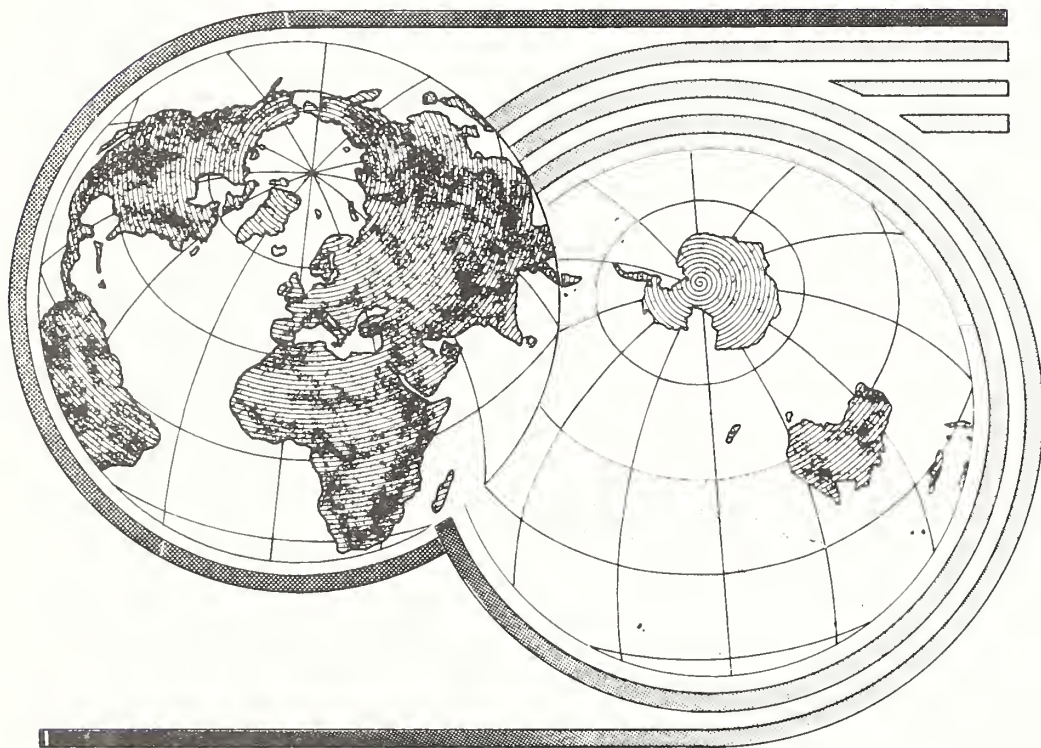
Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

reserve
HD1415
.W6

WORLD AGRICULTURAL Situation

WAS-18
DECEMBER 1978



APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK
AND SITUATION BOARD

ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE

LIST OF TABLES

<u>Tables</u>	<u>Title</u>	<u>Page</u>
1.	Selected indices of world agricultural and food production (excl. China), 1961-65=100.....	4
2.	United States: Price changes at the farm, foreign trade, and consumer level.....	32
3.	Prices received by farmers for selected commodities.....	32
4.	United States: Nominal and deflated farm prices for wheat, corn, and soybeans.....	33
5.	Export and import unit values of selected commodities.....	34
6.	The food component of the consumer prices index in selected countries.	35
7.	Consumer prices for food, changes in 1978 from 1977.....	36
8.	International export prices for selected fertilizer products.....	37
9.	World total grain production, consumption, and net exports.....	38
10.	World wheat production, consumption, and net exports.....	39
11.	World coarse grain production, consumption, and net exports.....	40
12.	World milled rice production, consumption, and net exports.....	41
13.	World production, net exports, and disappearance of high protein meals	42
14.	Monthly prices of selected oilseeds, meals, and oils.....	43
15.	Beef and veal production, slaughter, cattle numbers, slaughter rate, and slaughter weight, selected regions.....	44
16.	World centrifugal sugar production by regions and major countries.....	45
17.	World cocoa bean production.....	46
18.	U.S. imports of cocoa beans by country of origin.....	47
19.	World coffee production and exportable production.....	48
20.	U.S. green coffee imports by country of origin.....	49
21.	World cotton production, trade, and mill consumption.....	50
22.	Cotton stocks beginning of season.....	51
23.	World leaf tobacco production in selected regions and countries.....	52
24.	Unmanufactured tobacco exports by selected countries.....	53
25.	U.S. exports of unmanufactured tobacco by major destinations.....	54

THE WORLD AGRICULTURAL SITUATION

CONTENTS

SUMMARY

	Page
Summary	3
World Economy	5
World Agricultural Commodity	
Prices Strengthen	7
U.S. Agricultural Trade	8
World Fertilizer Prices Relatively	
Stable	9
Commodities:	
Good Grain Crops Widespread	10
Record Supplies of Meals and	
Oil Again in 1979	13
World Beef Production Declines	15
World Sugar Production Lower	
in 1978/79	17
Less Cocoa and More Coffee in	
1978/79	18
Smaller Cotton Production and	
Lower Stocks	20
World Tobacco Production Higher	
in 1978	20
Regional Agricultural Developments:	
United States	21
Other Developed Countries	22
USSR	24
Eastern Europe	25
PRC	25
Asia	26
Africa and West Asia	27
Latin America	28
Food and Trade Policy Developments:	
Multilateral Trade Negotiations	30
Common Fund	30
International Wheat Agreement	31

Approved by
The World Food and Agricultural
Outlook and Situation Board
and Summary released
December 14, 1978

Situation Coordinator:
Richard M. Kennedy
202-447-8260

Foreign Demand and Competition Division
Economics, Statistics, and Cooperatives Service
U.S. Department of Agriculture
Washington, D.C. 20250

The *World Agricultural Situation* is published in June, September, and December. Agricultural situation reports for the world's major regions are published during March-May.

World agricultural output—excluding the People's Republic of China (PRC)—increased around 2.5 percent in 1978, according to preliminary USDA indices of world agricultural and food production (table 1).¹ Both the developed and developing countries participated equally in the gains. Among the major developed regions, agricultural output grew the most in the USSR and Western Europe largely because of bumper grain crops, while only the United States and Japan recorded declines.

Total world food production increased close to 3 percent, with the developed countries a little above that rate, and the developing countries closer to 2.5 percent. The major developing regions all registered gains, with the largest in West Asia and Africa. Nevertheless, because of rapid population growth, per capita food production in the developing countries as a group was essentially unchanged from 1977. Small per capita gains in West Asia and South Asia were offset by a small decline in East Asia, while per capita output remained unchanged in Africa and Latin America.

With most of the harvests, except for 1979 Southern Hemisphere crops, already in, world grain production (wheat, coarse grain, and milled rice) in 1978/79 appears likely to reach a record 1.4 billion tons, 6.5 percent above last year. Weather conditions have been unusually favorable to grain, and no major world region has suffered a serious production shortfall. Total grain utilization may increase about 3 percent in 1978/79, to a level somewhat less than total output, while world trade in grains may increase about 1 percent to around 167 million tons.

¹Revised indices of agricultural and food production for individual regions and countries—including the detailed commodity production data used to construct the indices—are published in April and May for Africa, Asia, Europe, and Latin America by the Economics, Statistics, and Cooperatives Service.

Note: Unless stated otherwise, split years (e.g., 1978/79 mean July/June. Fiscal 1979 means October 1978/September 1979). Tons are metric and dollars are U.S. unless otherwise specified.

Table 1.--Selected indices of world agricultural and food production (excl. China), 1961-65=100

	Total agricultural production						Total food production						Per capita food production					
	1973	1974	1975	1976	1977	1978*	1973	1974	1975	1976	1977	1978*	1973	1974	1975	1976	1977	1978*
Developed countries	131	129	128	134	137	141	133	131	130	137	140	144	120	118	116	121	122	125
United States	122	117	126	129	138	134	128	122	134	137	144	142	115	109	118	120	125	123
Canada	123	112	127	138	141	142	124	112	128	143	142	144	106	94	106	116	114	115
Western Europe	123	128	125	123	128	133	123	128	125	123	128	134	115	119	115	113	117	122
Eur. Community	122	125	121	118	126	129	122	125	121	118	125	129	114	116	112	109	115	119
Eastern Europe	135	140	137	144	144	145	135	140	137	144	144	146	126	130	126	132	131	132
USSR	155	145	130	153	149	162	155	144	128	153	147	161	139	128	113	133	128	138
Japan	110	110	115	109	117	115	110	111	115	109	117	115	98	97	100	93	99	97
Oceania	117	119	125	124	122	124	127	127	137	138	134	134	107	105	112	111	106	107
Rep. of S. Africa	119	146	134	134	145	147	124	154	141	141	152	153	94	114	102	100	105	103
Developing countries	130	134	141	145	151	154	132	135	145	149	154	158	103	103	107	108	109	109
East Asia	145	149	154	166	170	174	141	147	154	165	168	171	110	112	115	121	120	119
Indonesia	130	138	140	145	146	156	130	140	141	145	145	155	103	108	107	107	104	109
Philippines	143	146	161	172	173	173	145	147	163	173	175	175	108	107	116	120	118	116
Korea, Rep. of	139	144	158	175	185	193	135	141	155	172	179	187	107	109	118	129	132	135
Thailand	159	156	162	167	168	173	154	157	167	174	170	176	115	114	118	121	116	117
South Asia	129	124	138	135	147	152	130	124	140	137	150	154	104	97	107	103	110	111
Bangladesh	117	110	124	117	129	130	119	115	130	120	133	133	93	87	96	87	94	91
India	129	122	139	135	147	152	130	122	140	136	149	154	104	96	108	103	111	112
Pakistan	157	162	155	165	181	176	159	164	161	177	191	183	119	119	114	121	127	118
West Asia	129	144	154	169	166	171	127	141	154	168	165	172	96	104	110	117	112	113
Iran	145	160	179	192	190	196	108	116	129	134	128	129	108	116	129	134	128	129
Turkey	125	136	150	163	163	165	95	100	111	116	113	114	95	99	110	115	113	113
Africa	119	126	127	129	126	129	119	126	129	131	127	131	93	95	95	94	89	89
Egypt	120	118	119	122	118	120	124	125	131	135	129	133	97	95	98	99	92	93
Ethiopia	111	114	103	106	100	87	111	112	101	105	98	85	87	86	76	76	70	59
Nigeria	112	119	121	123	125	128	113	119	122	124	126	129	87	90	89	88	87	87
Latin America	130	138	142	145	153	155	138	145	151	158	162	166	105	108	109	111	111	111
Mexico	141	143	151	148	153	162	152	150	169	165	166	179	108	103	112	105	102	106
Argentina	115	122	123	133	135	147	120	126	127	138	138	151	105	109	108	116	114	124
Brazil	137	150	153	157	168	162	153	162	167	184	191	182	116	120	120	129	130	120
WORLD	131	131	132	138	142	145	133	132	135	141	144	148	115	113	113	117	118	120

* Preliminary.

World carryover stocks of grain are forecast to increase at least a fifth and to equal about 16.5 percent of total utilization, compared with nearly 14 percent at the end of 1977/78. This is well below the 1960's. Coarse grain stocks are expected to show a large increase, despite a strong rise in utilization, because of bumper coarse grain crops in Western Europe, the USSR, and the United States. U.S. coarse grain stocks will continue to account for about one half of world coarse grain stocks. Carryover wheat stocks could grow nearly 19 percent because the growth in world wheat production will substantially exceed an expected 2-percent growth in consumption. A decline in U.S. wheat stocks may reduce the U.S. share from 40 to 30 percent of total world wheat stocks by the end of 1978/79.

Prospects in 1979 for another year of record output of both protein meals and fats and oils is crucially dependent upon forecasts of sharp increases in Brazilian and Argentine soybean crops. The continuing expansion of pork and poultry production suggests a 7-percent increase in world consumption of protein meals—the same as for vegetable oils. The United States will remain the only major seller of soybeans and meal around the world until around March when new-crop Southern Hemisphere soybeans begin to reach the market.

Rising world pork and poultry output was expected to fully compensate for a drop in beef production in 1978. World cattle numbers have continued to decline since 1975. There have been some signs of a leveling off of slaughter rates, and major producers may soon start rebuilding herds. The year 1979 may see a holding back of heifers for breeding, and 1980-81 a resumption of herd growth. This would result in a drop in total beef production in the next 2 to 3 years, but result in higher output potential in the longer term.

World sugar production is forecast to increase 2 percent above the 1977/78 record. Although output will exceed forecast consumption, the stock buildup in 1978/79 will be the lowest in four seasons. World sugar prices recovered slightly in 1978, but remain well below the 11-cent minimum objective set by

the International Sugar Agreement that the United States has signed, but awaits congressional authorization for ratification.

International coffee prices, after declining steadily through the first half of 1978 as a result of improved production prospects, strengthened between July and November, but began to ease again in November. World cocoa production in 1978/79 is expected to be about 5 percent below last season, but a slight buildup in world stocks is possible, partly because high prices have encouraged the use of substitutes. A 2-percent increase in world tobacco output is estimated for 1978, leaving stocks essentially unchanged at the beginning of 1979.

The 1978/79 world cotton crop is forecast to be about 6 percent smaller than last season because of both relatively low prices at planting time in the Northern Hemisphere and adverse weather in some areas. Total utilization of cotton may be up 2 percent and will likely exceed production, leading to around a 2.5 to 3-million-bale decline in carryover stocks by the end of 1978/79. Total trade in cotton could rise 1 million bales due to greater imports by Japan, Taiwan, and the PRC, whose imports of U.S. cotton are already approaching the 1977/78 level.

Fiscal 1977/78 was a banner year for U.S. agricultural exports, which totaled \$27.3 billion, \$13.4 billion more than U.S. agricultural imports. The effect of the depreciation of the dollar on U.S. exports varied depending upon the commodity and its major market. The bulk of those countries buying U.S. wheat actually faced higher costs in local currencies because their currencies were tied to, or depreciated against the dollar. The reverse was true for soybeans whose buyers are mostly developed countries whose currencies were appreciating against the dollar until November. U.S. farm exports are expected to increase about 6 percent in fiscal 1978/79 to about \$29 billion. Unit values for major commodities are expected to average higher, while volume may remain near last year's record level. Agricultural imports are forecast to rise slightly, to about \$14 billion.

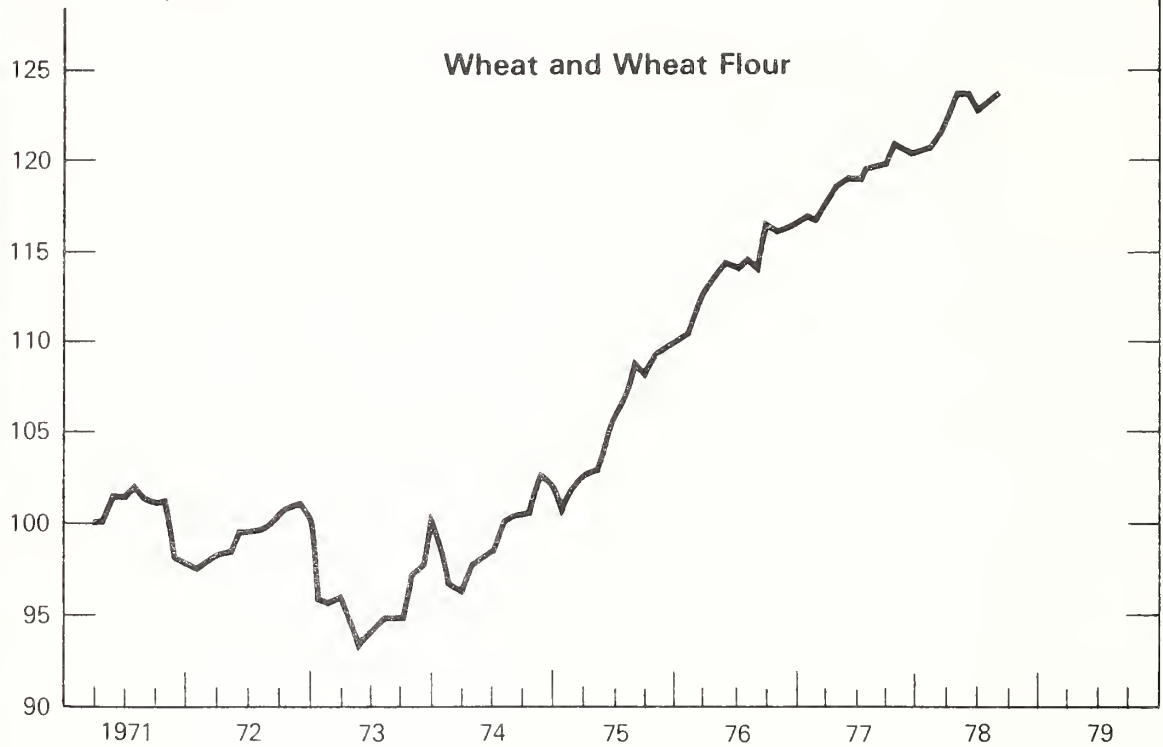
WORLD ECONOMY

The United States has taken major initiatives to combat inflation and support the value of the dollar. These steps include tightened monetary and fiscal policies, voluntary wage and price standards, and various financial arrangements to increase the ability of the government to buy dollars in foreign currency markets. Projections indicate a substan-

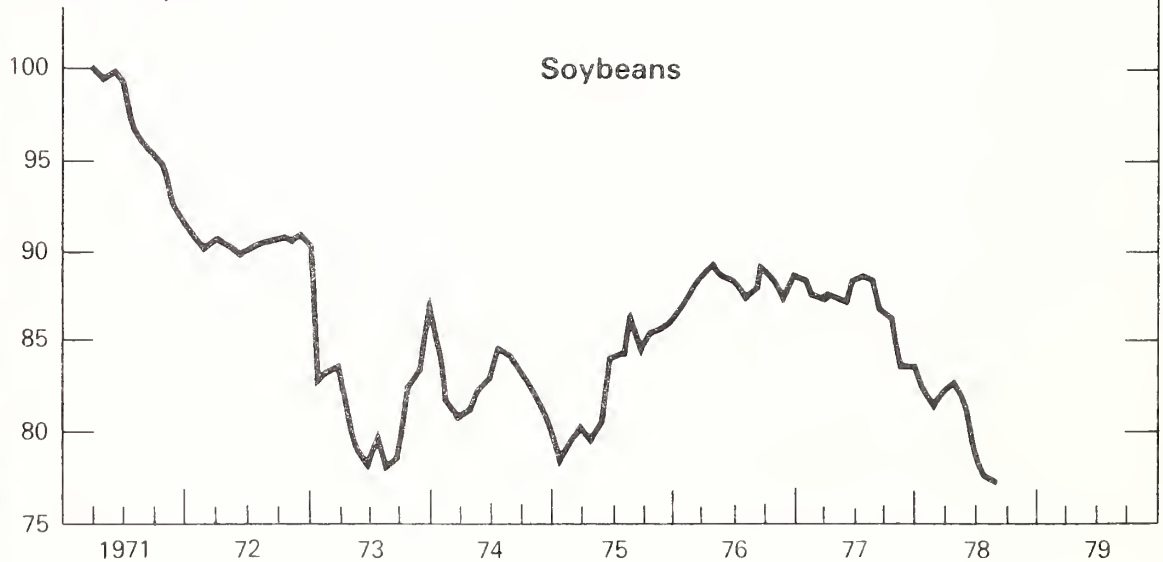
tially lower U.S. trade deficit next year with the amount of the decline dependent on the strength of the dollar vis-a-vis other currencies and on the amount of the expected OPEC (Organization of Petroleum Exporting Countries) price increase to be announced in mid-December. Oil prices are expected to rise 5 to 10 percent, and the trade

Trade-Weighted Index of Foreign Currency Costs of U.S. Exports

Percent of April 1971



Percent of April 1971



USDA

Neg. ESCS 3203-78 (12)

deficit may drop to \$27 billion (payments basis) in 1979, from the \$34 billion estimated for 1978, according to U.S. Treasury estimates.

These changes will also influence trade and economic growth in the other developed countries. Economic growth in the European Community (EC), our largest market for agricultural products, is projected to rise 3.5 percent in 1979, in real terms, compared with 2.6 percent in 1978. Germany's growth rate is expected to be around 4 percent in 1979, somewhat above growth in the EC as a whole. These rates are likely to exceed U.S. growth, officially projected at 2 to 3 percent in 1979. As growth progresses in the other developed countries their imports are expected to rise. Though the decline in value of the dollar was halted and marginally reversed in November, it is still at or below August-September levels against major currencies. Thus, U.S. exports may still benefit even with a somewhat strengthened dollar. There has been a deterioration in international price competitiveness of Japanese and European goods due to the appreciation of their currencies during most of 1978 and the upward pressure on their unit labor costs.

Inflation rates are expected to remain around 7 percent in the EC in 1979, virtually the same as in 1978. Unemployment continued high in the other major developed countries and will remain a problem in 1979.

The economies of the non-OPEC developing countries have continued to grow in 1978 at 5 percent—the same rate as in the previous 2 years. Projections indicate they will do as well or somewhat better in 1979 unless growth in the developed countries and world trade is slowed. The middle and upper-income developing countries—those with above \$550 per capita income—will probably grow somewhat faster than the rest of the group. Increased protectionist moves in the developed countries would also adversely affect their trade balances and economic growth prospects. At present, there is ample liquidity in world financial markets, with a high level of new borrowings (many rollovers of earlier debts) by the developing countries taking place in 1978 on

extremely favorable terms. Thus, the rise in the 1978 aggregate current account deficits of the non-OPEC developing countries to an estimated \$30 billion should not pose a financing problem. For 1979, the current account deficit is expected to rise marginally. Export prices of primary commodities (excluding beverages) improved steadily in 1978 and in the 3rd quarter stood about 13 percent above the last half of 1977.

Current account surpluses continued to fall in the OPEC countries in 1978, to an estimated \$20 billion, down from \$35 billion in 1977 and the peak level of \$68 billion in 1974. The recent retrenchment in OPEC import and investment spending is expected to continue in the near future. The overall OPEC economic growth rate is estimated to remain around 6 percent in 1979.

The changes in the value of the dollar during 1978 have affected various U.S. agricultural commodities differently. The attached chart shows that for the bulk of countries which buy our wheat and wheat products the cost to them of buying dollars with their currencies actually rose throughout 1978. That is because many of our major wheat customers are countries whose currencies either are tied to the dollar or have depreciated against the dollar. The reverse is true for our major soybean customers. Most of them are developed countries whose currencies were appreciating against the dollar until November. Thus, in September they needed only 77 percent of their own currencies to buy the same dollar value of soybeans as in the April 1971 base period.

The EC is taking steps toward greater harmonization of its fiscal and monetary policies by establishment of a new currency exchange stabilization arrangement, the European Monetary System (EMS). Effective January 1, 1979, the EMS resembles the European "joint float-snake" arrangement now operated by West Germany, Belgium, Luxembourg, Netherlands, and Denmark, with the addition of France. The United Kingdom, Ireland, and Italy decided initially not to join the EMS, but they may join later during 1979. (*Eileen M. Manfredi*, 202-447-7590)

WORLD AGRICULTURAL COMMODITY PRICES STRENGTHEN

Through October, international trade prices of nearly every major agricultural commodity had strengthened in recent months. Moreover, wheat, corn, soybeans, rice, cotton, beef, and sugar were priced higher than they were a year earlier, while only coffee and cocoa beans were priced lower. In

October, the U.S. export price for wheat strengthened to \$3.72 a bushel. At the outset of the new wheat crop season, the U.S. was the only exporting country with large export supplies of wheat. Canada has only recently come back in the market to make new export contracts. Additional import

demand from buyers such as China has also buoyed U.S. wheat export prices. Moreover, strong holdings by U.S. farmers, the U.S. reserve and acreage reduction programs, and the smallest U.S. wheat crop since 1973 have all been bullish market factors. Currently these factors outweigh the influence of a record world wheat crop.

In October, U.S. farmers were harvesting a record corn crop, but strong export demand and U.S. government reserve programs have kept the Gulf ports corn price at \$2.50 a bushel.

Strong domestic and foreign market demand are expected to expand soybean utilization further in face of a record U.S. crop. Export demand was especially strong this fall, and the United States will remain the only major supplier of soybeans until the 1979 Brazilian harvest. In October, the Gulf ports price for soybeans was \$7.15 a bushel.

The Bangkok rice price slid in recent months to \$375 a ton in October in response to a record U.S. and world crop.

Among import commodities, beef, coffee, sugar, and rubber have experienced strengthening international prices through October. The interplay of international price developments with domestic and foreign farm-level and consumer level prices is illustrated in table 2.

During the third quarter of 1978, changes in international prices were reflected in a 21-percent increase in U.S. farm prices from the third quarter of 1977 to the third quarter of 1978.

U.S. farm prices for wheat, corn, soybeans, rice, and beef all registered substantial upturns from a year earlier (table 3). Over the longer run, however, prices for U.S. farm products are nominally higher than their pre-1972 level, but general inflation has been such that, in real terms, farm prices have lost ground. As indicated by table 4, farm prices for wheat, corn and soybeans are at about their pre-1972 level, when deflated by the consumer price index. Real prices of these commodities are on the downswing from the "bubble" of strong prices that prevailed in 1972-74, but are not at historically low

levels. Farm level prices of these commodities also have had difficulty keeping pace with the generally rising level of farm costs.

Export and import unit values necessarily lag behind farm and international trade price quotations. Recent price trends have been of sufficient duration that U.S. wheat, corn, and rice export unit values have moved in the same direction as international prices and U.S. farm prices (table 5). Because the soybean situation has been in a state of flux, the third quarter 1978 soybean export unit value dropped below a year earlier, when soybeans were exported at the extremely high prices that prevailed at the end of the 1976/77 soybean crop year. Gulf ports price quotations for U.S. soybeans during July-September 1978 were 12 percent higher than during July-September 1977, and will be reflected in export unit values in the coming months. Overall, the average price of U.S. exports in the third quarter was higher than a year earlier. U.S. imports were priced 6 percent lower, as the sharp downturn in the import unit value for coffee and cocoa beans more than offset rising sugar and beef import unit values. As indicated in table 5, export and import unit values in key importing countries like Japan and West Germany have declined as the appreciation of the West German mark and Japanese yen are reflected in international commodity prices.

The third quarter U.S. consumer price index for food was 7 percent above a year earlier, as farm and import prices and marketing charges were transmitted through the marketing system. Third quarter retail prices for bread and bakery products, sugar and sweeteners, and beef were higher than a year earlier, while coffee prices declined. Despite the climb in the U.S. consumer price index for food, only a few countries had smaller increases in food prices than the United States (tables 6 and 7). Moreover, U.S. consumers continue to spend a smaller share of their income on food than any other consumers. (*H. Christine Collins*, 202-447-8646)

U.S. AGRICULTURAL TRADE²

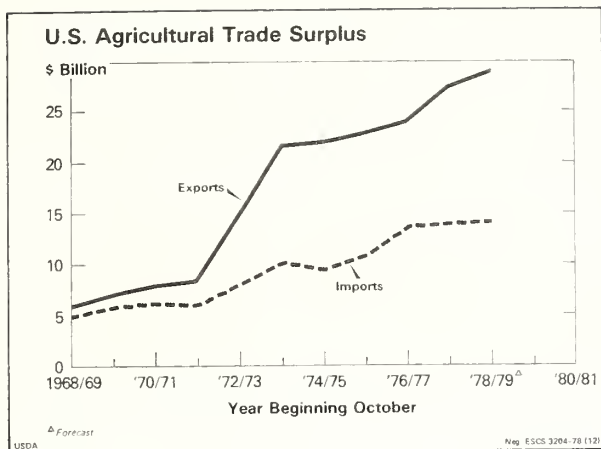
Exports Continue Strong

Fiscal 1979 (October 1978-September 1979) U.S. farm exports are expected to increase around 6 percent to about \$29 billion. Export volume is expected to remain near fiscal 1978's record level,

but unit values for major commodities are expected to average higher.

Feed grain export volume may decline marginally overall. Shipments to Latin America and the USSR are expected to decrease because of improved production. Eastern Europe is expected to import more feed grain from the United States, while U.S. exports to Western Europe are expected to remain at 18 million tons. Growth in livestock feeding is expected to boost shipments to Japan,

²This section is based largely on the more detailed review contained in the November 14, 1978, *Outlook for U.S. Agricultural Exports*, published by the Economic Research Service and the Foreign Agriculture Service.



the Middle East, Canada, and the developing countries of East Asia. By early December, the PRC had purchased 2.7 million tons of U.S. corn.

Following a 30-percent jump in fiscal 1978, soybean exports are expected to increase slightly to 20.4 million tons. World demand for high-protein meals is very strong, and there will be little competition from Argentina and Brazil until March of 1979. The Brazilian crop is expected to be up substantially in 1979, and U.S. soybean and meal exports will face stiff competition later in 1979. Fiscal 1979 soybean exports are expected to increase to most areas, except Latin America.

Wheat export volume is expected to decline 5 percent in fiscal 1979, with smaller shipments to most regions due to larger 1978/79 crops. However, expanded shipments to the developing countries of Asia are anticipated.

U.S. cotton exports are expected to remain large in fiscal 1979. Despite a smaller U.S. crop, export supplies are plentiful and U.S. prices are com-

petitive on the world market. World import demand is strong, and production in several other exporting countries has been disrupted by weather problems.

A 5-percent volume increase is expected in fiscal 1979 for tobacco exports. The 1978 U.S. flue-cured crop was of high quality, and stocks of U.S. leaf are low in many countries. Increases are forecast for shipments to Japan, the United Kingdom, Thailand, and South Korea.

The value of our farm sales to the developing countries is expected to expand more than a tenth, with the largest increases to East and Southeast Asia and the Middle East.

Japan will account for most of the U.S. export gain to the developed countries. Larger exports to the People's Republic of China and Eastern Europe are expected to more than offset reduced shipments to the USSR.

Import Growth Slows

U.S. agricultural imports are expected to increase only slightly from fiscal 1978's \$13.9 billion. The increase will come from competitive imports, as was the case last year. Volume gains are forecast for sugar, wine, and tobacco. In addition, value increases are expected for imports of meats, vegetables, and fruits.

Imports of noncompetitive items are expected to be about \$6.3 billion, down slightly from the \$6.6 billion in fiscal 1978. Coffee import volume is expected to increase after 2 years of decline but will remain well below normal levels. The green coffee import price is expected to decline sharply from last year's \$3.65 per kilogram. Import volume gains are forecast for spices, bananas, and tea, but crude rubber and cocoa bean volume is expected to remain near last year's levels. (*Sally Breedlove Byrne*, 202-447-8260)

WORLD FERTILIZER PRICES RELATIVELY STABLE³

World export prices of phosphate and potash fertilizer strengthened moderately during the fall of 1978 while nitrogen prices remained steady (table 8). Phosphate and potash prices this winter are likely to be supported by consistently strong worldwide demand, while nitrogen prices are likely to remain near current low levels owing to continued excess production capacities. Supplies are generally adequate to meet growing worldwide demand for fertilizers this year.

³For additional information, see *1979 Fertilizer Situation*, FS-9 December 1978, published by the Economics, Statistics, and Cooperatives Service.

Nitrogen

While Western Europe, Japan, and the United States continue to be troubled by excess ammonia production capacities, new entrants in the nitrogen export market are having success in selling increasing amounts of ammonia. Both Mexico and the Soviet Union have elected to make use of their abundant natural gas supplies for ammonia production. Major production capacity expansions have already come on-stream in both countries, and additional facilities are under construction or planned. Since both countries produce both gas and ammonia in state owned facilities, they have priced their gas at rates well below prevailing

world market rates. This low-cost gas enables them to offer ammonia on the world market at very competitive prices despite high transportation costs.

Mexico, until recently a net importer of ammonia, is expected to export around 600,000 metric tons of the product in 1979, with about 40 percent of that earmarked for the United States and the rest divided about equally between Western Europe and Latin America. The Soviet Union has entered into long-term, barter type arrangements with western nations to export even larger quantities of ammonia, urea, and potash. Soviet export contracts with firms in countries such as the United States, Italy, the Netherlands, France, Japan, Finland, and West Germany are expected to reach nearly 700,000 tons of ammonia in 1978, climbing to as much as 3 million tons by 1980.

Phosphate

World phosphate supplies will rise because of several recent developments. A major new phosphate rock mine opened ahead of schedule in Florida in October, and the Bu Craa mine in the former Spanish Sahara is expected to resume full scale operations by year's end following nearly a 3-year shutdown after guerrillas sabotaged the conveyor belt to the port. Future expansions in Morocco, Jordan, and Senegal will also supply more phosphate to the world export market.

The first shipment of Florida superphosphoric acid to the USSR is scheduled to arrive in late 1978 as part of a long term fertilizer swap agreement between the Soviet Union and a U.S. firm. The Soviets recently reported the discovery of potentially major phosphate rock deposits along a new railroad route in Siberia. Plans to develop some of the Siberian phosphate resources have also been announced.

Potash

Canadian potash producers recently contracted to export 300,000 tons of muriate of potash to the People's Republic of China between October 1978 and June 1979. This is the largest sale ever made to China.

Brazil has provisionally arranged for a French government loan to help finance a potash mine and refinery complex in Sergipe state. The 1-million-ton-per-year facility may be operational as early as 1981 and could supply Brazil's entire domestic potash demand at current levels.

Israel has also announced plans to construct an additional 600,000-ton-per-year potash facility on the Dead Sea. The production would supply the growing world export market. (*Richard Rortvedt*, National Economic Analysis Division, 202-447-6620)

GOOD GRAIN CROPS WIDESPREAD

This year's weather has been unusually favorable, and no major region of the world is expected to suffer a serious crop shortfall. Total world grain production, (wheat, coarse grains, and milled rice) for 1978/79 is now forecast at 1,409 million tons (table 9). This estimate is up around 6.5 percent from last year's production, and about 4 percent above the record crop of 1976/77.

With the exception of the United States and Eastern Europe, wheat crops in all major regions are forecast in 1978/79 to exceed the previous year's output (table 10). The reduced U.S. wheat crop resulted primarily from smaller planted area because of government acreage reduction programs and low wheat prices. Eastern Europe experienced cool, wet weather which retarded crop development, but output will equal last year's level. The most noticable improvements in wheat production are forecast for Australia, Western Europe, and the Soviet Union. World wheat production for 1978/79 is forecast at 422.5 million tons.

Coarse grain production in the Northern Hemisphere also benefited from favorable weather

World coarse grain production, selected regions

Region	1976/77	Preliminary 1977/78	Forecast 1978/79
Million tons			
Canada	21.1	22.4	20.1
Australia	5.0	4.1	6.7
Argentina	16.9	17.8	16.0
South Africa	10.2	10.8	10.0
Thailand	3.0	2.2	3.5
Brazil	19.4	14.8	19.4
West Europe	73.1	87.3	92.3
USSR	115.0	92.6	103.0
United States	193.9	202.3	211.4
World	702.1	693.8	732.4

this year (table 11). In the United States, record corn yields more than offset smaller plantings resulting from the government acreage reduction program. Production of coarse grains in the United States is forecast at a record 211 million tons in 1978/79. Improved barley output has raised production prospects in the USSR for coarse grains to 105 million tons. Western European barley

World wheat production, selected regions

Region	1976/77	Preliminary 1977/78	Forecast 1978/79
<i>Million tons</i>			
Canada	23.6	19.8	20.7
Australia	11.7	9.4	14.5
Argentina	11.0	5.3	7.4
West Europe	50.7	47.7	57.1
USSR	96.9	92.2	115.0
East Europe	34.7	34.2	33.9
India	28.8	29.1	31.3
United States	58.3	55.1	48.4
World	415.1	381.5	422.5

production is also a record, and the Thai corn crop has recovered from last year's drought. Canada's barley crop will likely be somewhat lower in quality than usual, but is still a good crop and should put additional pressure on barley stock levels.

Coarse grain production forecasts for Southern Hemisphere countries are tentative since these countries have just completed corn and grain sorghum plantings. Australian barley and sorghum production in 1979 is forecast to increase sharply from the drought-reduced 1978 crop. Brazilian corn production is expected to be significantly higher than the severely drought-reduced 1978 crop, although a high soybean/corn price ratio in world markets may cause some shifting into soybeans. Recent rains may also encourage some Argentine farmers to shift into soybeans; Argentine coarse grain production is expected to be down moderately. World coarse grain production in 1978/79 is forecast at 732 million tons.

World rice production for 1978/79 is currently forecast at 376 million tons (rough basis), compared with 366 million tons in 1977/78 (table 12). The increased production results from larger crops in several major producing countries, including Bangladesh, India, Indonesia, the PRC, and Thailand. Concern remains over the PRC's late rice crop. The Japanese Government continues to encourage some shift in production away from rice because of large excess rice stocks. The producer support price for rice has not been increased, and there are subsidies for diverting rice paddies to the production of other grains.

Utilization

Total world utilization of grain, including milled rice, is currently forecast at 1,367 million tons in 1978/79, about 2.8 percent higher than last year. The increases for coarse grains (3.1 percent, to 709 million tons) and rice (2.7 percent, to 376 million tons) were significantly higher than the 2-percent increase (to 407 million tons) for wheat. Possible

explanations for this divergence in growth rates include:

- (1) The record corn and reduced wheat crops in the United States have resulted in a substantial spread between U.S. wheat and corn prices. This spread gives price-sensitive buyers the incentive to purchase corn rather than wheat.
- (2) Rice stocks in several Asian countries are excessive, hence, in an effort to reduce these stocks, rice may be substituted for wheat. The excessive rice stocks in Japan may be a factor in the stagnant demand for wheat for food and compound feeds.
- (3) The growth rate for wheat usage, at 2 percent, more closely approximates world population growth than the other two grains, especially coarse grains.
- (4) Coarse grain use is increasing rapidly for several reasons besides the favorable price spread: The diets of several countries in the Middle East and Asia are being upgraded by including a larger proportion of meat, and these areas are the growth markets for coarse grains; Soviet and Eastern Europe are expanding livestock production, and are in need of corn this year; large barley crops in Western European countries and potentially reduced manioc output in Thailand may lead to an increase in the proportion of coarse grain in swine and poultry feeds; and the reduced value of the dollar may increase the purchasing power of some countries.

Trade

Total world wheat trade is forecast to be down slightly, about 700 thousand tons to 72.6 million tons. Reflecting larger wheat crops, Western European and Soviet imports are forecast to be down for 1978/79 (July-June year). Japanese imports are expected to be down slightly, depending on the impact of the rice disposal schemes and the price of rice relative to wheat. Although the PRC's grain prospects are improved over 1977/78, wheat imports are forecast to rise in 1978/79.

Wheat exports by Australia are forecast to be down 3 million tons in 1978/79 (July-June) reflecting the poor 1977/78 crop and large exports last year. Argentine wheat exports are forecast to be roughly the same as last year, again reflecting last year's poor crop. Canadian wheat exports in 1978/79 are expected to be down 1.5 million tons after last year's large volume of 16 million tons. In part, this reflects the large stocks of barley available for export and transportation difficulties in Canada. The major change in the export situation

World wheat trade, selected regions

Region	1976/77	Preliminary 1977/78	Forecast 1978/79
<i>Million tons</i>			
Exporters			
Canada	12.9	16.0	14.5
Australia	8.5	11.2	8.0
Argentina	5.6	2.5	2.6
West Europe	6.7	7.5	10.3
USSR	1.0	1.0	1.5
United States	25.8	31.1	31.0
World	62.9	73.3	72.6
Importers			
West Europe	5.6	7.7	7.2
USSR	4.6	6.9	4.0
Japan	5.5	5.8	5.6
East Europe	6.2	5.0	3.8
PRC	3.1	8.6	9.0
World	62.9	73.3	72.6

Note: Years are July/June.

over last year is the anticipated large volume of EC soft wheat being exported under substantial export subsidies. Brazil, Poland, and Mediterranean countries have been the principal destinations.

World trade in coarse grains for 1978/79 (July-June) is forecast to be 3 million tons higher at 85.9 million tons. Soviet and Western European imports are expected to be less than in 1977/78 partly because of improved barley production. Availability of manioc to the EC from Thailand could affect coarse grain use in feed ratios. If Thai manioc shipments to the EC are limited by reduced production, then use of soybean meal could slow and coarse grain imports could be above current forecasts. Japanese coarse grain imports are fore-

cast to rise as Japan's livestock industry continues to expand. However, schemes for channeling domestic rice into feed compounds could hold this increase to a minimum. The growth markets for coarse grains in the Middle East and Asia are expected to continue to expand since prices for coarse grains are favorable relative to wheat, foreign exchange positions remain strong, and consumer demand for meat is increasing. The PRC has been buying large amounts of U.S. corn, apparently as part of a more open trade policy.

Canadian coarse grain exports for 1978/79 (July-June) are forecast to rise because of an expected substantial barley harvest and large barley stocks. Australian barley and sorghum exports are also expected to be above the reduced volume of 1977/78, although not as high as 1976/77. Thai corn exports are forecast to be above 1977/78 drought-reduced levels. Argentine and Brazilian coarse grain exports in 1978/79 are forecast to be lower than last year's, reflecting 1978's weather problems.

World rice trade is forecast to decline in calendar year 1979, by 200 thousand tons, to 8.9 million tons. Imports by Bangladesh and Indonesia are expected to decline slightly because of improved crop prospects. Thai rice exports are forecast to rise 300,000 tons to 1.8 million tons. The United States likely will remain the largest exporter with shipments of 2.1 million tons.

Stocks

World carryover stocks of grain are forecast to increase at least a fifth and to equal about 16.5 percent of total utilization, compared with 14 percent at the end of 1977/78. This is well below the 1960's. Wheat stocks in the United States are forecast to decline by about 4 million tons by the end of 1978/79, but foreign stocks are expected to rise about 19 million tons.

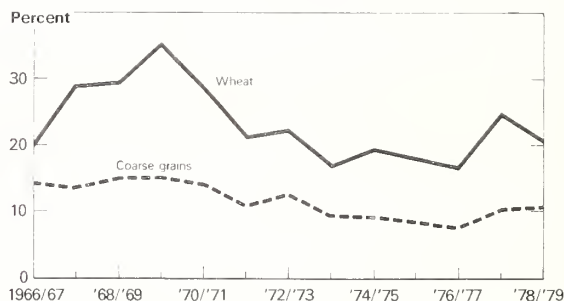
World coarse grain trade, selected regions

Region	1976/77	Preliminary 1977/78	Forecast 1978/79
<i>Million tons</i>			
Exporters			
Canada	4.6	3.8	4.1
Australia	3.3	1.9	2.8
Argentina	9.2	10.8	10.2
South Africa	1.4	2.8	3.7
Thailand	2.3	1.3	2.2
Brazil	1.3	1.0	.4
West Europe	4.6	6.0	5.8
USSR	2.0	1.0	1.5
United States	50.6	51.8	53.3
World	82.1	83.2	85.9
Importers			
West Europe	35.8	26.1	24.0
USSR	5.7	11.7	11.0
Japan	15.9	17.0	17.7
East Europe	8.3	8.6	9.6
World	82.1	83.2	85.9

Note: Years are July/June.

World Wheat and Coarse Grains

Beginning Stocks as a Share of Consumption



The United States is expected to maintain roughly the same share of world coarse grain carryover stocks as in 1977/78, about 50 percent. World stock of coarse grain are forecast to rise around 23 million tons by the end of 1978/79.

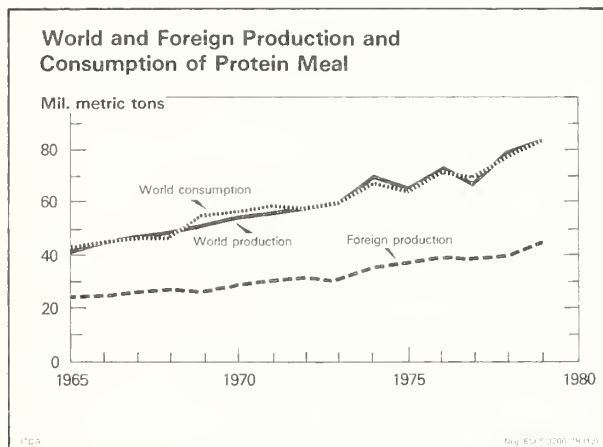
World carryover rice stocks are forecast to rise more than 3 million tons to about 25 million tons during 1978/79. The United States' share is forecast to rise from 4.4 percent to 7.3 percent in 1978/79. (Philip L. Paarlberg, 202-447-8646)

RECORD SUPPLIES OF MEALS AND OILS AGAIN IN 1979

Production

World production of protein meals (44 percent soymeal equivalent) and total fats and oils for 1978⁴ are estimated to be records and above their 1965-77 trends by 7 and 5 percent respectively (table 13). For 1979, records, are again forecast both for protein meals, 11 percent above the 1965-77 trend, and for total fats and oils, 7 percent above trend. Increased U.S. production in 1977⁵ accounted for over half the rise in 1978 world production of fats and oils and almost 90 percent of the increase in world protein meal production.

World production increases of both protein meals and fats and oils for 1978 were achieved in spite of an 18 percent reduction in the 1978 Brazilian soybean crop by drought, the first decline since 1968. However, both the 1977* U.S. soybean and cotton seed crops were up by one-third. Also important were the large increase in the 1977*



⁴Production of high protein meals and fats and oils available for consumption in the calendar year corresponds to crops harvested in that same year in the Southern Hemisphere, but in previous year in the Northern Hemisphere. Products of coconut, palm, and fish which are produced throughout the year are reported on the same calendar year basis for production and consumption.

⁵To avoid confusion, an asterisk follows the year of Northern Hemisphere crops to remind the reader that such crops are assumed to be the basis of production and consumption of oils and meals in the following year.

Selected northern hemisphere oilseed crops

	Preliminary 1977	Estimated 1978	Percentage change
<i>Million tons</i>			
U.S. soybeans	48.0	49.3	3
U.S. sunflowers	1.3	1.7	25
U.S. cottonseed	5.0	3.8	-24
U.S.S.R. sunflowers . . .	5.9	6.0	2
Canadian rapeseed	2.0	3.2	60
Indian peanuts	6.1	5.8	-5
Senegalese peanuts4	.9	152

Selected southern hemisphere oilseed crops and continuous production crops

	Estimated 1978	Estimated 1979	Percentage change
<i>Million tons</i>			
Brazilian soybeans	9.9	13.5	36
Argentina soybeans	2.6	13.5	36
W. Malaysian palm oil . . .	1.5	1.9	23

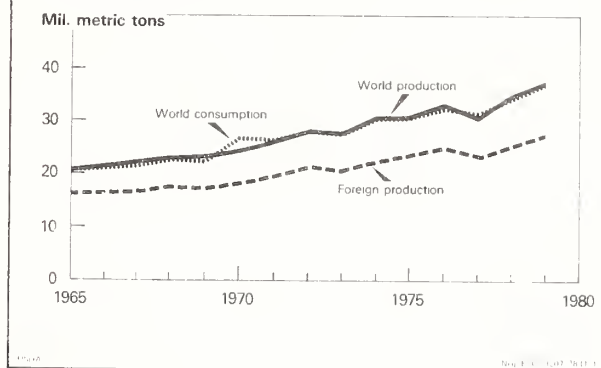
World Total Production

	1978 estimate	1979 forecast	Percentage change
<i>Million tons</i>			
High protein meals	78.8	83.7	6
Total fats and oils	52.7	55.0	4
Edible vegetable oils . . .	35.2	37.7	7

Canadian rapeseed crop and record 1978 Argentine soybean and sunflower production (1.6 million tons).

World production increases for protein meal indicated for 1979 are less than one-half of those of 1978, but nonetheless are about twice the average annual increase during 1965-77. In contrast to 1978, the United States accounts for only 6 percent of the increase in world protein meals production. U.S. production of fats and oils for 1979 is forecast to decline very slightly because the 1978* U.S. soybean crop increased less than 3 percent, and a one-fourth decline in the 1978* U.S. cottonseed crop more than offset a one-fourth increase in the U.S. sunflower crop. Important production increases for 1979 include the 1978* Senegalese peanut crop, 1979 Malaysian palm oil production, and the record 1978* Canadian rapeseed crop. Unfavorable

World and Foreign Production and Consumption of Vegetable Oils



	Preliminary 1977	Estimated 1978	Forecast 1979
<i>Million tons</i>			
World production meals	66.5	78.8	83.7
Change U.S. soy meal stocks (mkt. yr.)	-3.2	1.2	-.1
Apparent world meal sumption	69.7	77.6	83.8
World production edible Vegetable oils	30.8	35.3	37.7
Change U.S. soy oil stocks (mkt. yr.)	-.9	.2	+.1
Apparent world vegetable oil consumption . .	31.7	35.1	37.6

rainfall this year is expected to reduce 1979 Philippine copra production by 10 percent to 2.4 million tons.

Crucial to the 1979 oil and meal situation are the Southern Hemisphere crops that have just been planted; forecasts for these crops now can be only tentative. The 1979 Brazilian and Argentine soybean crops are forecast to increase 36 and 23 percent, respectively, together accounting for almost two-thirds of the forecast increase in 1979 meal production and one-third of the forecast increase in oil production.

Dryness delayed Brazilian soybean planting but adequate rains eventually allowed timely planting. In some southern areas, excessive rainfall apparently has caused some problems. Planted soybean area in Brazil for the 1979 crop is expected to be up 4 to 6 percent; forecast production depends upon recovery to average yields. In Argentina, a 20 to 35-percent expansion in soybean area is expected for the 1979 crop. Wet weather seriously delayed Argentine corn planting, and some shift from corn to soybeans may have occurred. Soybean yields in Argentina may decline somewhat from the record levels of 1978.

Prices and Disappearance

In spite of abundant supplies of meals and oils for 1978, prices have remained comparatively strong (table 14) and U.S. soy meal and soy oil carryover stocks for the 1977/78 marketing year increased only 1.2 million tons and 200,000 tons, respectively.⁶ Conversely, apparent world consumption (world production adjusted by changes in U.S. soy stocks) of both protein meals and edible vegetable oils increased by 11 percent in 1978.

⁶Including the meal or oil content of soybean stocks.

Continuing increases in pork and poultry production are an important factor in the high level of world protein meal use. However, protein meal use for 1978 is estimated to have expanded far more than meat production, particularly in the EC.

EC import levies on feedgrains result in greater use of low-protein grain substitutes that require increased utilization of protein meals. EC imports of manioc are expected to be up by almost one-half in 1978 to over 5 million tons. Also, the decline of the U.S. dollar during 1978 against the currencies of Japan, Germany, the Netherlands, and other major importers of soybeans and meal appears to have had a major impact. For example, the price of soy meal in Deutsch marks (DM) was 24 percent lower during 1977/78 than in the previous year. Lower priced meal and increased feeding of cheap grain substitutes have improved margins for meat producers and apparently led to increased feeding per animal. The price of corn in DM has not declined, however, and the ratio of the soy meal price to the corn price averaged 0.91 during 1977/78, allowing some substitution of soy meal for corn in the EC.

Forecast supplies of meal and oil for 1979 are even more ample than for 1978, yet prices remain firm. In fact, during the 1978 U.S. harvest, Rotterdam soybean prices (quoted in dollars) were 25 to 30 percent higher than a year earlier. For the 1978/79 marketing year, U.S. soy oil stocks are expected to change very little. Apparent world consumption of both protein meals and edible vegetable oils is expected to increase 7 percent once again in 1979.

Several factors explain the large but reduced rate of growth in protein meal consumption forecast for 1979. Soy meal prices are expected to be significantly above 1978 levels. The sharp depreciation of the dollar in 1978 is not likely to reoccur. The availability of manioc in 1979 is not

Feed component prices in Germany

Period	Soymeal price C.I.F. US/MT	Exchange rate DM/US	Soymeal price DM/MT	Corn price F.O.B. US/MT (incl. levy)	Soymeal/corn price ratio
1976 Oct.-Dec.	219	2.409	528	186	1.17
1977 Jan.-Mar.	262	2.395	627	193	1.35
1977 Apr.-June	289	2.360	682	200	1.45
1977 July-Sept.	180	2.308	415	196	.92
Average	238	2.366	563	194	1.22
1977 Oct.-Dec.	193	2.224	429	203	.95
1978 Jan.-Mar.	201	2.076	417	226	.89
1978 Apr.-June	218	2.077	453	237	.92
1978 July-Sept.	204	2.007	409	228	.89
Average	204	2.093	427	223	.91

expected to increase greatly as it did in 1978. And, large corn harvests will make soymeal more expensive relative to feedgrains outside the EC.

Although soybean dollar prices are expected to be higher in 1979, effective exchange rates still transform prices into attractive levels in most major foreign markets, particularly in the context of generally favorable feeding margins. Additional firmness for soybean prices also probably results from U.S. farmers' current reluctance to sell and traders' memories of the 1978 Brazilian shortfall. Prices may weaken next spring if the large South American crop forecasts seem assured, and if U.S. farmers sell more freely.

Trade

U.S. exports of soybeans and products have been strong since the fall of 1977 and are certain to remain so at least through the spring of 1979. For 1977/78, U.S. soybean exports increased one-fourth

to 19.1 million tons, and exports of soyoil and soy meal were up by one-third each to 933,000 tons and 5.5 million tons respectively. The emergence of South American soybean production in recent years has shifted U.S. disappearance towards the first half of the marketing year. The 1978 Brazilian shortfall will intensify this phenomenon for 1978/79. Almost all South American soybeans from the 1978 crop have been exported, and meal exports from Brazil will be much reduced until spring. The United States is almost the only supplier of soybeans and meal until March. U.S. soybean exports for 1978/79 have been unexpectedly high, totaling 5.8 million tons in the first 12 weeks. In one week alone, 860,000 tons were exported. Exports of meal have been somewhat less than expected given the limited quantities available from Brazil until April. U.S. soybean, soy meal, and soyoil exports for 1978/79 are forecast at 20.4 million tons, 5.7 million tons, and 816,000 tons respectively. (*Gene R. Hasha*, 202-447-9160)

WORLD BEEF PRODUCTION DECLINES

Total 1978 meat production in the world commercial meat economy (i.e., United States, Canada, EC, Japan, Mexico, Central America, Argentina, Australia, and New Zealand) is expected to roughly equal the 1977 volume of about 55 million tons. However, the composition is shifting as rising pork and poultry production is expected to fully compensate for declining beef output. World cattle numbers have been declining since 1975, and a sharp drop in world beef production is expected. This decline will be even larger if leading producing countries start building herds at the same time.

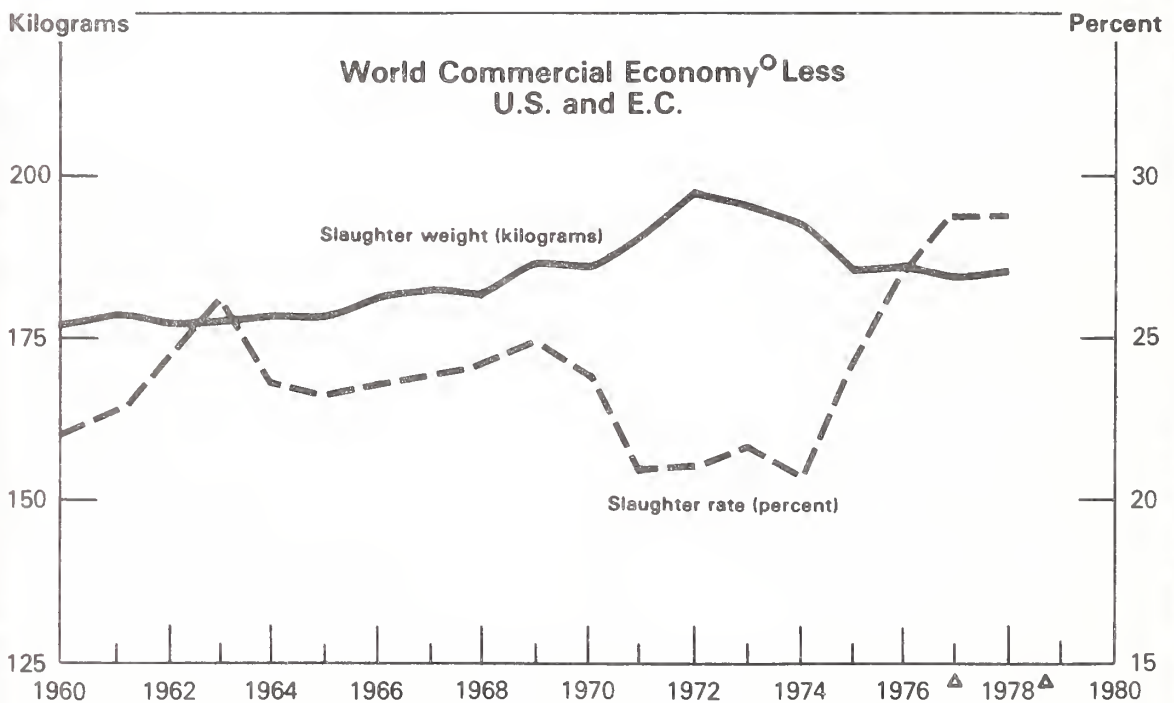
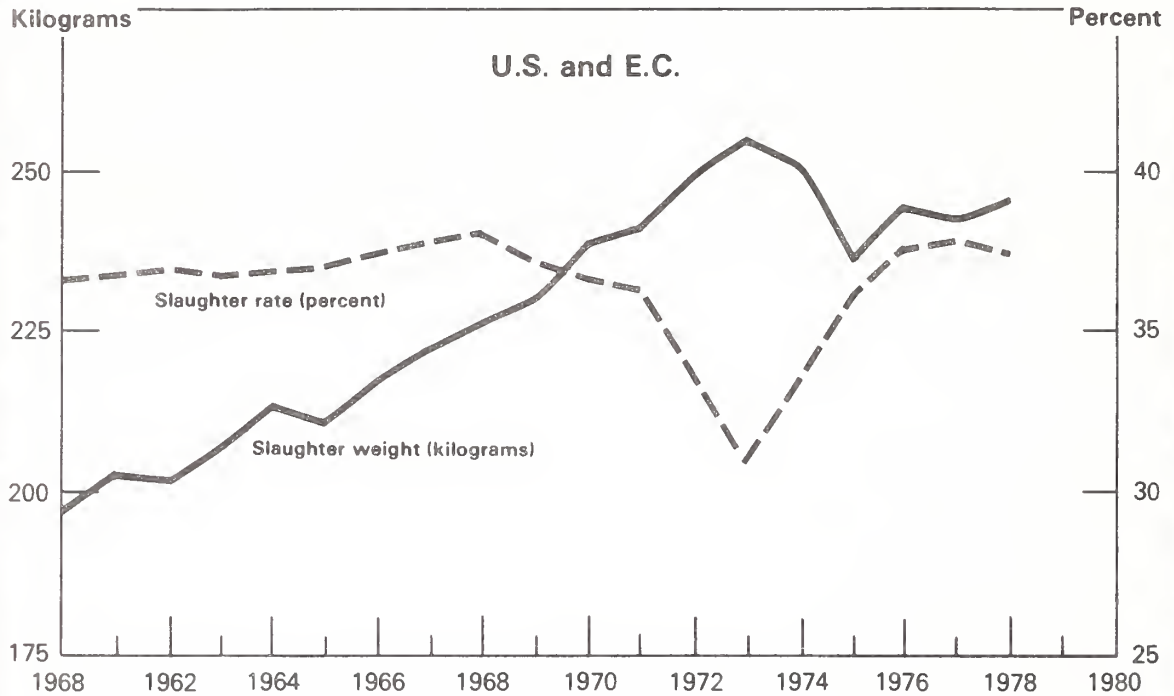
In the United States, beef production for 1978 will decline around 4 percent from the 1977 level of about 11.2 million tons. Cattle numbers are expected to be about 111 million on January 1, 1979, down 16 percent from the 1975 peak of 132 million head. The parallel drop in the cow herd

suggests a smaller calf crop next year and the 1980 inventory is not expected to be any larger than that in January 1979. Slaughter is expected to drop again in 1979, and the 1979 calf crop might exceed the total cattle and calf slaughter for the first time since 1975.

U.S. beef production is expected to continue to decline. Fed cattle slaughter is likely to rise slightly, but not enough to compensate for the expected drop of one-fourth in nonfed steer and heifer slaughter and a 20 to 25-percent drop in cow slaughter. As the proportion of fed to nonfed cattle slaughter rises, average carcass weights will rise. Beef production is expected to decline in 1979 by 4 to 6 percent.

The slaughter rate for cattle in the major producing countries outside the United States was 31 percent of the total herd (71 million head in

Average Slaughter Weight and Herd Slaughter Rate



○ U.S., E.C., Canada, Australia, New Zealand, Mexico, Central America, and Argentina. ▲ Preliminary.

USDA

Neg. ESCS 3202-78 (12)

both 1977 and 1978). The accompanying figures (see also table 15) suggest that, in a broad sense, cattle herds have been similarly managed in the major producing countries during the 1970's. Slaughter rates, as a percentage of total herds, were low during 1971 through 1974, matching unusually heavy average weights of cattle slaughtered during the same period. The return to higher slaughter rates since 1975 has marked a peaking of cattle numbers in 1975 (367 million head) and of beef production in 1976 (27 million tons). Total beef production for selected countries reported by USDA peaked in 1977 (42 million tons), according to preliminary estimates.

If these developments indicate a similar age and weight distribution in the herds of the major producing countries, then 1979 is likely to be a year of holding back of heifers for breeding, and 1980 to 1981 a period of resumption of herd growth. Under these circumstances, a decline in the slaughter rate in these countries might occur next year. If the rate should drop to around 28 percent, 1979 beef production might decline 8 to 10 percent to around 13 million tons, with heavier marketing weights partly offsetting the reduced slaughter.

In the principal countries to which the United States has traditionally turned to supplement its supplies of fresh meat (Canada, Mexico, Central America, Australia, and New Zealand), beef

production and cattle inventories are also trending down. In this group only Central America expects rising beef production in 1978.

The EC is trying with limited success to achieve net self-sufficiency in beef production while rebuilding herds. In Argentina, beef output increased 7 percent in 1978, to 3.1 million tons. But this production increase is a reflection of herd liquidation and probably points to lower output in the future.

U.S. meat import policy will be very important to the world meat economy in the coming year. The United States has been importing beef in 1978 at the rate of a million tons a year—equal to about 9 percent of U.S. domestic production. In comparison, the EC imports about 450,000 tons (7 percent of EC production) and Japan imports about 135,000 tons of beef (35 percent of local production). Japan will import about 619,000 tons of total meat in 1978 (equivalent to 24 percent of total Japanese meat production). Imports of beef are not likely to be sufficient to maintain current U.S. per capita beef consumption because of the large drop expected in U.S. production. With U.S. meat demand sustained by continued growth in the general economy, these developments suggest a tight supply situation for world trade in 1979. (Donald W. Regier, 202-447-9160)

WORLD SUGAR PRODUCTION LOWER IN 1978/79

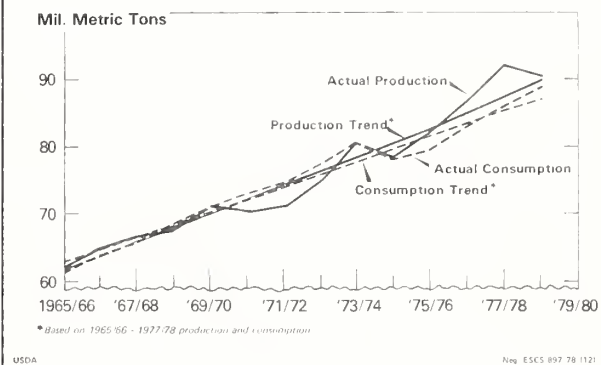
World sugar production in 1978/79 is now forecast at 90.2 million tons, (raw value) down 2 million tons or 2 percent from last season's record level (table 16). Production will still be about 1 million tons above forecast world consumption, but the implied stock increase would be the lowest in four seasons. Stock increases beginning 1974/75 have totaled 14.2 million tons, raising the world stock to 29 million tons as of August 31, 1978. The high

World centrifugal sugar production and consumption and 1965/66-1977/78 linear trend

Year	Production		Consumption	
	Actual	Trend	Actual	Trend
<i>Million tons</i>				
1969/70-1971/72	70.9	72.3	73.0	72.1
1975/76	81.9	83.5	79.3	81.7
1976/77	86.9	85.7	83.0	83.6
1977/78	¹ 92.1	88.0	¹ 86.0	85.6
1978/79	² 90.2	90.2	² 89.0	87.5

¹ Estimate, ² Forecast.

World Production and
Consumption of Sugar



stock volume, about 34 percent of estimated consumption in 1977/78, has kept world prices low.

World prices continue below the 11-cent minimum objective of the International Sugar Agreement (ISA) that entered into force

provisionally January 1, 1978. The London price for raw sugar, Caribbean basis, averaged 8 U.S. cents a pound in November 1978, about one cent over the November 1977 price. About one-half of the increase results from the depreciation of the dollar relative to the pound sterling. Should the ISA be ratified by the United States and others and becomes fully operational, world sugar prices would be strengthened.

The 1977/78 production estimate has been revised upward by 1.5 million tons since the October forecast, as good weather may have enhanced yields and raised output by 700,000 tons each in Cuba and in India, and 400,000 tons in China.

The 1978/79 Cuban crop is estimated at a more normal level of 6.5 million tons. India's crop will be about 7 million tons, above average but below last season as a result of more ratooning and the disincentive of low export prices. Brazil is reducing planned output almost one million tons below the record 1977/78 crop. About one-fourth of Brazil's 1978/79 sugarcane crop is planned to be converted into alcohol ("gasahol") for use as automotive fuel. This amount is equivalent to 2.1 million tons of raw sugar, and slightly more than Brazil's prospective sugar exports of 1.9 million tons. In Australia and Argentina, lower sugar production results in part from the need to adhere to ISA

export quotas. The production decline of about 250,000 tons in the Philippines arises from lower acreage, more ratooning, and weather damage. Lower beet acreage and cold, wet weather reduced West Germany's output by nearly 300,000 tons, and France's by 500,000 tons, in 1977/78. The EC's sugar export support payments in real terms have been reduced, but a 1978/79 seasonal surplus of about 2 million tons over domestic consumption is still estimated, in addition to 1.35 million tons of Lome Agreement imports.

Increases in 1978/79 sugar output of around 200,000 tons (in each case) are estimated for Thailand (recovering from drought), Turkey, Indonesia, the USSR, and Africa. Mexico also estimates a production rise of nearly 200,000 tons, which will help fulfill its ISA export quota. U.S. beet sugar is estimated to increase about 200,000 tons but cane sugar may be down nearly 100,000 tons. World beet sugar output in 1978/79 will be about 35.6 million tons, the same as last season, while cane sugar at 54.6 million tons could be 3 percent lower.

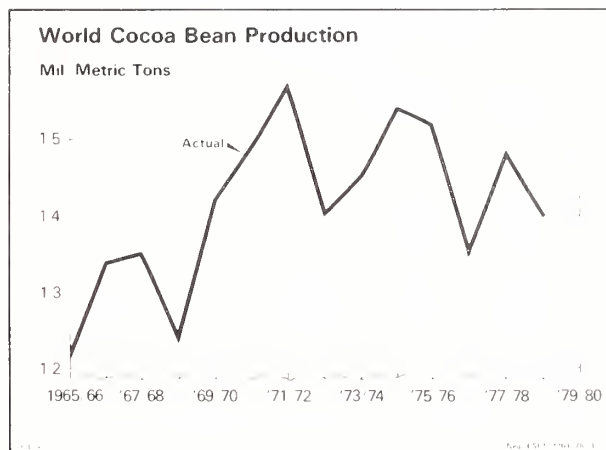
World trade in calendar 1979 is expected to approach 21 million tons, about the same as 1978. USSR purchases from Cuba will probably exceed 3 million tons. U.S. imports will be about 4.5 million tons. (Robert D. Barry, 202-447-9160)

LESS COCOA AND MORE COFFEE IN 1978/79

The 1978/79 world cocoa crop is now predicted to be 1.40 million or about 5 percent below last season's harvest as a result of weather problems in West Africa and Brazil (table 17). Production in Ghana, Ivory Coast, Nigeria, and Brazil—the top four producers accounting for 70 percent of world

output—may total about 8 percent less than in 1977/78.

Still, a slight world stock buildup in 1979 is possible, following a 105,000-ton stock gain in 1978, as world cocoa grindings are forecast near the low 1978 and 1977 levels of 1.36 and 1.37 million tons, respectively. High prices for cocoa beans and expanded use of substitutes and extenders have limited expansion in cocoa and chocolate consumption.



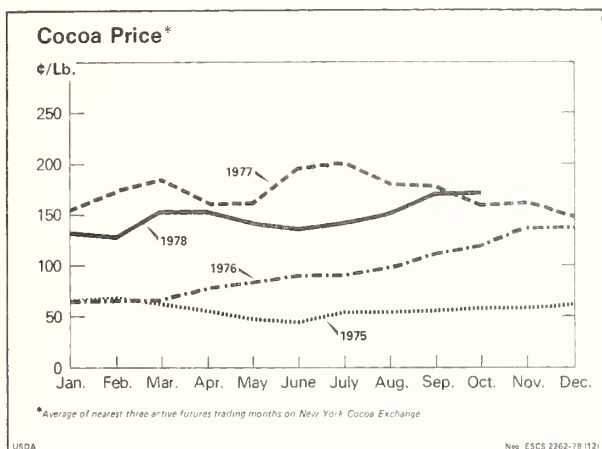
World cocoa bean production and consumption

Year	Production	Consumption
Million tons		
1969/70-1971/72 ..	1.50	1.45
1975/76	1.52	1.52
1976/77	1.35	1.37
1977/78	¹ 1.48	1.36
1978/79	¹ 1.40	1.36

¹ Estimate. ² Forecast.

Preliminary data indicate world cocoa bean imports in 1977 of 1.01 million tons, 12 percent less than in 1976, resulting from lower output and increased grindings in producing countries. U.S. cocoa bean and related cocoa product imports increased in fiscal 1977/78, were valued at about \$1.27 billion, or about 44 percent above 1976/77 (table 18).

The New York cocoa bean futures price averaged \$1.70 a pound at the season's beginning in October 1978 compared with \$1.60 a year earlier, but the price is expected to ease in the coming months as supplies of the 1978/79 crop reach terminal markets.

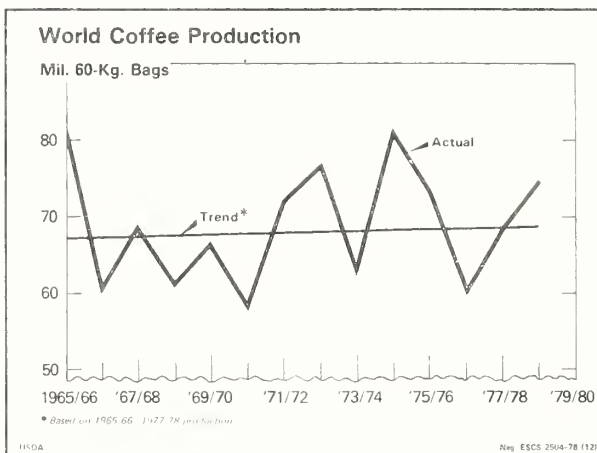
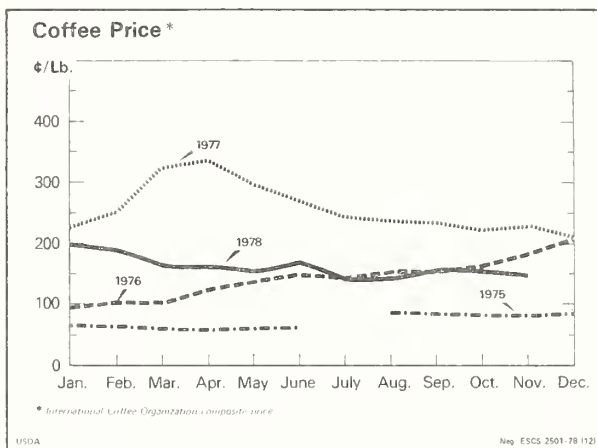


Negotiations toward renewal of the International Cocoa Agreement that expires September 30, 1979 are scheduled to be held in Geneva in January 1979.

World coffee production as of October was forecast at 74.5 million bags (60 kilograms) or 9 percent above 1977/78 and nearly 23 percent above the poor 1976/77 crop that followed the July 1975 frost in Brazil (table 19). The mid-August 1978 Brazilian freeze did not materially affect the 1978/79

crop, which had already been largely harvested, but may reduce the prospective 1979/80 harvest in Brazil by some 5-6 million bags. Brazil's output in 1979/80 would then be around 18-21 million bags.

The International Coffee Council meeting in London, September 1978, concluded without agreement on a revised trigger price which would automatically call forth export quotas. The trigger price continues to be 77 cents a pound, well below current world prices.



World green coffee production and 1965/66-77/78 linear trend

Year	Actual	Trend	Deviation
Million 60-kilogram bags			
1969/70-71/72	65.5	68.2	-2.7
1975/76	73.2	67.7	5.5
1976/77	60.8	67.6	-6.8
1977/78	¹ 63.5	67.4	-3.9
1978/79	² 74.5	67.3	7.2

¹ Estimate, ² Forecast.

The International Coffee Agreement composite price for coffee (the four major varieties) fell to U.S. \$1.43 a pound in July, rose to \$1.56 in October, but has again started to ease, averaging about \$1.52 in November 1978.

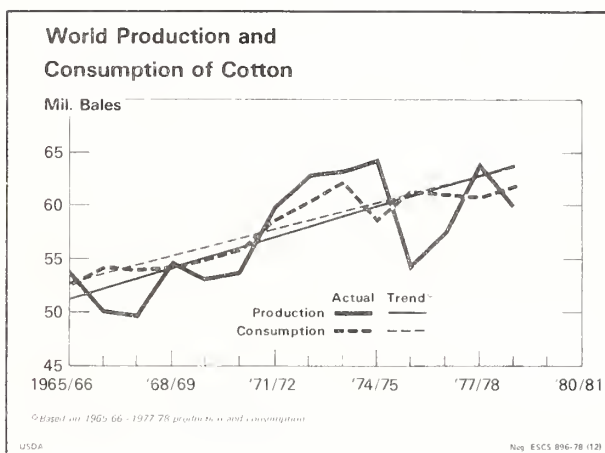
U.S. green coffee imports for fiscal 1978 totaled 15.9 million bags valued at nearly \$3.5 billion, compared with 16.4 million bags and nearly \$4 billion in fiscal 1977 (table 20). (Robert D. Barry, 202-447-9160)

SMALLER COTTON PRODUCTION AND LOWER STOCKS

The 1978/79 world cotton production forecast has been reduced from earlier indications to 59.4 million bales (480 pounds net), some 6 percent less than in 1977/78 (table 21). World consumption is predicted to be up around 2 percent, exceeding production, and reducing stocks about 2.5 to 3.0 million bales by season's end (table 22). World cotton supply in 1978/79 is estimated at 83.5 million bales, compared with 84.5 million in 1977/78. The Outlook "A" Index (average of 5 lowest-priced of 10 selected growths, c.i.f. Northern Europe) averaged nearly 79.4 cents a pound in November 1978, the highest price level since November 1977.

The decline in world output for 1978/79 reflects the relatively low prices at planting time in the Northern Hemisphere and adverse weather. Area in cotton was reduced 50 percent in Colombia, 16 percent in Egypt, 10 to 20 percent each in Turkey, Syria, Iran, Nigeria, and Mexico, and about 7.5

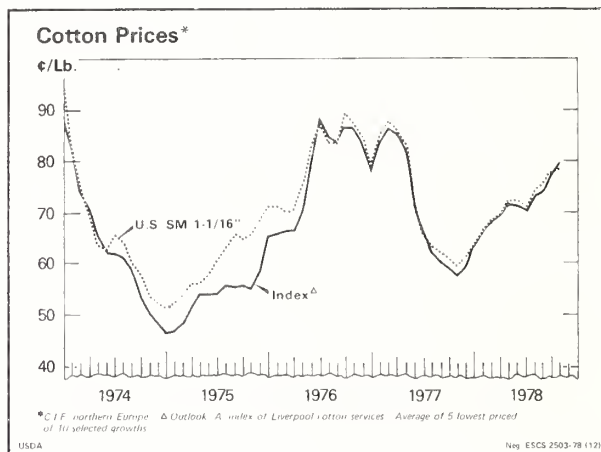
percent in the United States. Heavy rains reduced plantings in Sudan. Globally, area in cotton declined a little over 3 percent. Overall yields also fell, averaging about 2.5 percent less than in 1977/78, declining mainly in the United States (20 percent), Pakistan (14 percent), and the USSR (5 percent). Soviet production is now estimated at 12.3



World cotton production and consumption and 1965/66-1977/78 linear trend

Year	Production		Consumption	
	Actual	Trend	Actual	Trend
Million 480-lb. bales				
1969/70-71/72 ...	55.5	56.1	56.4	56.7
1975/76	53.9	60.6	61.0	60.7
1976/77	57.4	61.5	61.0	61.5
1977/78	¹ 63.5	62.4	¹ 60.8	62.3
1978/79	² 59.4	63.3	² 61.9	63.1

¹ Estimate. ² Forecast.



million bales, about 400,000 bales less than last year despite a slight increase in planted area.

The moderate rise predicted for world mill consumption of cotton results from a brighter outlook in the foreign non-communist importing countries, particularly Japan and Taiwan, and a continuing boom in South Korea. India's good crop will allow both an increase in both consumption and net exports. The rise in Japan's mill use comes from general improvement in the domestic economy and from appreciation of the yen which has widened the mill margin between the price of cotton year and the cost of raw cotton. Foreign cotton consumption (world minus United States) may increase nearly 2.4 percent in 1978/79 above last season.

With 1978/79 world exports predicted at 19.8 million bales, about 1 million larger than last season, a U.S. market of about 5.8 million bales is foreseen. China's imports could be 15 to 20 percent above the previous season's 1.8 million bales, and its purchases from the United States for 1978/79 delivery already approach the 1977/78 level of 431,000 bales. (Robert D. Barry, 202-447-9160)

WORLD TOBACCO PRODUCTION HIGHER IN 1978

Good growing conditions now point to a 1978 world tobacco output of about 5.6 million tons (farm-sales weight), up 2 percent above last season

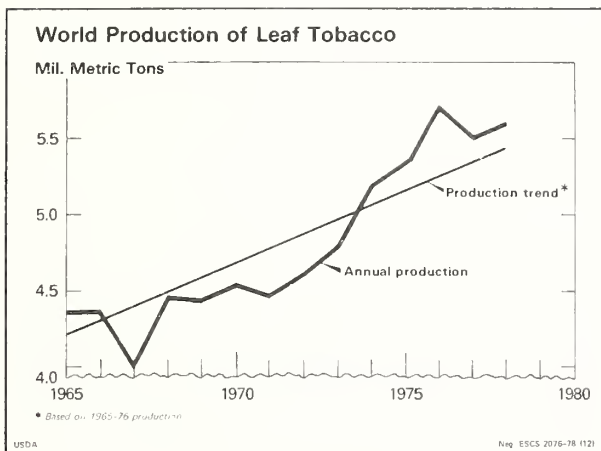
and nearly matching the 1976 record (table 23). Larger supplies and slowdown in demand for tobacco in 1978 may increase stocks from 6.3 to 6.4

million tons in 1979. Growth in cigarette output is expected to show a moderate gain of about 2 percent. U.S. flue-cured auction prices in 1978 averaged a record \$1.35 per pound, 17 cents above the previous year. The support price for 1979 will be raised again by 7 percent from last year.

World tobacco production and 1965-77 linear trend

Calendar year	Actual ¹	Trend ¹	Deviation
Billion pounds ¹			
1969-71 average ...	4.49	4.72	-0.23
1974	5.19	5.13	0.06
1975	5.41	5.23	0.18
1976	5.65	5.33	0.32
1977	5.48	5.43	0.05
1978	² 5.60	5.53	0.07

¹ Farm-sales weight. ² Forecast.



Excellent weather, higher yields, and larger planted area accounted for the larger tobacco output in 1978, mainly in the United States, India, Canada, Brazil, and Turkey. Outside these 5 countries, combined output is estimated to be about 0.5 percent higher, with larger crops in Colombia, France, Spain, Malawi, South Africa, and Mexico. World flue-cured output in 1978 is expected to be slightly above last year's 2.3 million tons. The U.S. flue-cured crop, approximately 60 percent of the total, increased 8 percent to 553,000 tons. World

output of burley and oriental tobacco are expected to be marginally above 1977.

Despite anti-smoking publicity and legislation, cigarette output could reach 4.2 trillion pieces in 1978, up 2 percent from 1977 and closely on trend. U.S. output is expected to be a record 700 billion pieces. Japan's manufacture of cigarettes in 1978, estimated at 305 billion pieces, would show a slight gain. Even with higher prices and taxes on cigarettes, Brazil's cigarette output may increase 8 percent, reaching 140 billion pieces.

World cigarette production and 1965-77 linear trend

Calendar year	Actual	Trend	Deviation
Trillion pieces			
1969-71 average ...	3.35	3.39	-0.04
1974	3.85	3.82	0.03
1975	3.94	3.93	0.01
1976	4.05	4.04	-0.01
1977	4.13	4.14	-0.01
1978	¹ 4.26	4.25	0.01

¹ Forecast.

Better economic conditions in 1978, larger tobacco supplies, and improved U.S. export performance raised world tobacco exports about 5 percent above the 1977 level of almost 1.27 million tons. However, this would still be less than the record 1974 level of 1.41 million. Export gains are estimated for Brazil, India, Canada, South Korea, Dominican Republic, and Malawi. U.S. leaf exports during 1978, strengthened by high flue-cured quality and higher value of foreign currencies relative to the dollar, will reach around 300,000 tons, about 5 percent above 1977 (table 24 and 25). Japanese imports in the fiscal year ending March 1979 are estimated at 80,000 tons, down about 6,000 tons, as flue-cured and oriental tobacco purchases declined. Japan's imports from the United States, its major tobacco supplier, could increase 3 percent to 48,350 tons, increasing the U.S. market share from 55 to 60 percent.

U.S. exports of tobacco and tobacco products in 1978 are estimated to reach a record \$2 billion, \$1.6 billion more than the value of U.S. tobacco imports. (Charles E. Goode and Robert D. Barry, 202-447-9160)

REGIONAL AGRICULTURAL DEVELOPMENTS

United States⁷

Farm Economy Continues Strong into New Year

Net farm income for 1978 is expected to be about \$26 billion before inventory adjustment, a 30-percent gain from 1977. The higher income resulted

from increases in product prices and expanded markets for agricultural goods, both in the United States and abroad. Gross income, up \$14 billion

⁷This section is based on a more detailed discussion of the U.S. agricultural situation published in *Agricultural Outlook*, A0-39, USDA, December 1978.

this year, should amount to \$122 billion. However, some of the larger receipts have been siphoned off by a 9-percent hike in production expenses which will probably total \$96 billion for 1978.

Net farm income in 1979 is forecast to range between \$23 and \$29 billion, probably ending up near the 1978 level. Gross income is likely to be in the range of \$125 to \$135 billion. Higher cash receipts, along with increased nonmoney income, will offset a \$5 to \$10-billion rise in production expenses.

The outlook for the U.S. economy as a whole in 1979 is clouded by continued inflation and an expected slowing in the rate of economic growth. On October 24, President Carter announced a three-point anti-inflation program:

- (1) tighter monetary and fiscal policies
- (2) appraisals of regulatory and other government policies that contribute to price increases
- (3) voluntary wage and price standards

The President on November 1 announced measures to strengthen the dollar. Generally, these involve an increase in domestic discount rates and financial arrangements that allow more active participation by the U.S. government to support the dollar. The impact of these programs on the U.S. economy and consumer incomes in particular will be important in determining the demand for agricultural products next year. Strong demand, coupled with rising marketing costs, point to a domestic food price increase ranging from 6 to 10 percent. The magnitude of the increase is closely tied to cost pressures on the marketing side and on commodity production developments. If food supplies should be larger than expected and wage and other marketing costs are slowed by anti-inflation measures, the food price increase will be at the lower end of this range. Conversely, adverse weather—causing smaller supplies of food—and higher marketing costs would result in a 10 percent increase. (*David R. Dyer*, National Economic Analysis Division, 202-447-7330)

Other Developed Countries

Grain Outlook Remains Favorable

Current estimates of this year's European Community (EC) grain harvest indicate a record of about 115 million tons—up 11 percent from the 1977 harvest. Wheat output will set a new record of 46.6 million tons—up 21 percent from last year. With domestic wheat use estimated at 40.8 million tons for 1978/79, the EC will be in a strong position to increase net exports. Export subsidies of about \$110 per ton will likely result in EC wheat

sales to less traditional markets in Eastern Europe, Asia, and South America.

Total EC coarse grain production will also be a new high at about 68 million tons—surpassing last year's record of 65.3 million tons. Although a deficit coarse grain producer in total, the EC will have substantial export availabilities of barley—over 3.0 million tons—to dispose of on world markets.

Japanese efforts to reduce rice production by encouraging a shift in acreage to other grains appear successful to a limited extent. However, high rice yields offset much of the program's intent. Wheat production jumped 55 percent in 1978 as acreage increased by about 30 percent, and coarse grain production increased 54 percent—mostly barley—as more acreage was turned to its production. Coarse grain imports during the 1978/79 July-June period are expected to increase only slightly over the previous period because of the anticipated downturn in swine production, greater domestic production of barley, and use of rice stocks in formula feed production (rice will displace corn or sorghum on a 1:1 basis).

Rice acreage in Japan declined by 7.6 percent in 1978 as a result of the Government administered Paddy Land Use Reorganization Program. Rice production was off only 3.9 percent, however, as weather was favorable and yields were generally up. Per capita rice consumption continued to decline during 1978 and stocks swelled to alarming levels. The Government is under increasing pressure to reduce the surplus and there has been discussion of implementing a surplus disposal program that may materialize in the next Japanese fiscal year (April 1979-March 1980). This program would probably subsidize the use of rice in formula feed production, its industrial use, and its movement into export channels, including that for food aid.

Despite poor weather during harvest, Canadian wheat production increased about 4 percent over last year's level to 20.7 million tons. Although production is up, Canadian wheat exports—estimated at 14.5 million tons in 1978/79—would be substantially below last year's record level of 16 million tons. Canadian coarse grain production, at 20.1 million tons, is down somewhat from last year. A small increase in coarse grain exports to around 4 million tons in 1978/79, however, is not expected to significantly reduce coarse grain stocks below their present record high.

The grain outlook in Australia in 1978/79 is as favorable as 1977/78 results were poor. Wheat, barley, and oats are at the forefront of this improvement, with summer grains expected to follow suit. Highly favorable weather conditions in late winter through early spring have led to

boosted wheat production of about 50 percent over 1977/78, to 15 million tons. However, export sales of wheat are expected to be raised by only about 12 percent during the 1978/79 marketing year (December-November), to about 10 million tons.

Livestock Outlook

Output from the EC livestock sector is expected to increase only about 2 percent during 1978/79. Beef and veal production in the EC should continue its moderate advance of 1978 (1.5 to 2.0 percent) well into 1979. Pork production will continue to expand through mid-1979, but at an annual rate of about 2 percent, compared with an increase of about 4.5 percent during the comparable period of 1977/78.

Capacity exists in the EC for substantial production increases in the poultry sector during 1978/79, but output is not likely to rise by much more than 3 percent. Producers' profitability in the poultry sector is dependent, to a large extent, on export sales to third-country markets which appear to be behind year-earlier levels.

Japanese census figures (as of February 1, 1978) showed that inventories of all livestock were up over the previous census level (rates of increase in parenthesis): dairy cattle (4.8 percent), beef cattle (2.2), hogs (8.0), layers (3.3), and broilers (12.6). A recent farrowing intention survey showed a decline in the number of sows bred over the last few months. This may indicate a downturn in production in 1979. Product price and feed price relationships at the producer level, however, are still indicative of a profitable situation (i.e., 100.0 in 1977 and 103.0 for the first seven months of 1978).

The Canadian cattle herd is continuing its decline. In July 1978, total Canadian cattle numbers were down 7 percent from the same period the previous year. This decline reflects a continued high level of beef cow marketings due, in part, to Canadian domestic cow slaughter, and a heavy flow of live slaughter cow exports to the United States. Canadian beef and veal production is expected to decline by more than 9 percent in 1978.

Hog slaughter in Canada during January to September 1978 increased almost 10 percent over the previous year's level. The increase in pork production is expected to result in a reduction in the level of Canadian pork imports from the United States and an increase in Canadian global pork exports. It is also expected to result in a shift in domestic red meat consumption from beef and veal to pork.

Feed conditions in Australia and New Zealand are excellent and slaughtering trends indicate fewer sales of female cattle. Generally, these

conditions suggest that a reduction in herd liquidation will soon materialize. Overall meat production during 1978/79 (October-September) in Australia and New Zealand is forecast to drop by about 8 percent, compared with a year earlier. Most of the decrease is in beef, which is expected to be down about 15 percent. Domestic consumption of beef is expected to fall off at a faster pace than are exports, which, at about 1.29 million tons, will be about 12 percent lower than in the past year.

Policy Developments

The EC Commission's price proposals for 1979/80 are likely to follow the lines established by the "prudent price policy" of last year when average agricultural support prices (in unit of account terms) were held to an increase of 2.1 percent—less than half the rate calculated necessary to offset the cost of production increases. The EC Commission will again be pressing for only token price increases, or perhaps a total freeze on prices in price-setting negotiations in the spring of 1979. However, as was the case last year, individual member country adjustments within the EC's agri-monetary system could allow for substantial price increases in some national currencies despite the small common price increase.

The January 13, 1978 U.S.-Japanese trade agreement called for, among other measures, Japan's expansion of import quotas on beef, fresh oranges, and citrus juice. Japan promised to expand imports of high quality beef by 10,000 tons under the hotel and restaurant and general quotas, to increase imports of fresh oranges from 15,000 tons to 45,000 tons, and to expand imports of citrus juice from 1,000 tons to 4,000 tons. Subsequent negotiations have led to agreement on the systematic growth in the importation of the above quota items over time.

In fiscal year 1978, the value of U.S. exports of beef, oranges, and citrus juice to Japan were up 103 percent, 172 percent, and 43 percent, respectively.

U.S. Agricultural Exports

Prospects for fiscal 1979 indicate that the United States will be hard pressed to hold the volume of its grain and oilseed exports to the EC at 1977/78 levels. However, the value of U.S. export sales of other farm products—animal products (particularly tallow and hides and skins), tobacco, nuts, and vegetables and their preparations—is expected to show some growth in EC markets. In addition, likely higher world grain and oilseed prices suggest a marginal increase in the total value of U.S. farm exports to the EC in fiscal 1979.

The value of U.S. agricultural exports to Japan in fiscal 1979 is expected to reach \$4.6 billion, up 10 percent over fiscal 1978. This forecast reflects anticipated higher prices and increased volumes of key bulk commodities such as feed grains, soybeans, wheat, and cotton, as well as expanded

trade in beef and citrus resulting from the January 13, 1978, trade agreement and subsequent negotiations between the two countries. Japan will continue to be the largest single-country market for U.S. agricultural exports. (*John Dunmore*, 202-447-8054).

USSR

General Secretary Brezhnev on November 27 stated that the 1978 gross grain harvest was 235 million tons ("bunker weight"). The grain crop exceeds by 5 percent the previous record set in 1976, primarily because the average yield was about 3 percent above the previous record. The 1978 wheat harvest is estimated to be more than 5 percent above the previous record in 1973, but coarse grain production probably fell close to 10 percent short of the 1976 harvest.

The 1978 grain crop is roughly equal to estimated utilization during 1978/79. Feed use of grain, estimated at 125 million tons, accounts for about 55 percent of 1978/79 utilization. Food use of grain totals 46 million tons; seed, 29 million; dockage-waste, 27 million; and industrial uses, only 4 million tons.

Soviet grain imports during 1978/79 will probably continue at a moderate 10 to 15-million-ton level even though domestic production in 1978 was about equal to estimated 1978/79 utilization. The USSR is obligated to purchase 3 million tons of U.S. wheat and a like amount of U.S. corn under the U.S.-USSR grain purchase agreement. Additional purchases of U.S. corn are expected.

The late 1978 spring, followed by a cool, rainy growing season, and the rainy harvesting weather adversely affected fall seeding and plowing. Fall seeding apparently fell about 4 million hectares short of plan. Thus, the area sown to winter grains this year was probably about 4 million hectares less than the 37 million hectares seeded in 1976 and 1977.

USSR cotton harvesting and cotton procurements this year have lagged behind the 1977 record pace. This is the result of delays in cotton development caused by the need to reseed large tracts of cotton last spring and by damage from early frost this fall. The chairman of GOSPLAN, N. Baibakov, announced on November 29 that cotton output this year had already reached 8.3 million tons. This suggests that the 1978 crop will be less than the 8.8-million-ton record attained in 1977 and probably close to the 8.5 million tons planned.

Industrial sugar output August-October 1978 suggests that beet sugar production during the 1978/79 sugarbeet processing season will

somewhat exceed the 8.1 million tons refined in 1977/78 and well above the average of 7.0 million tons refined in the 3-year, 1974/75-1976/77 period.

Industrial vegetable oil production through May of the 1977/78 season was close to record levels, but performance through the summer months was disappointing, with final output in 1977/78 totaling 2,842,000 tons or 8.4 percent less than the record 1973/74 season.

USSR livestock inventories on state and collective farms and interfarm complexes continued to show good gains in most categories of livestock on November 1, 1978, compared with a year earlier. Total cattle, cow, hog, and poultry numbers were at record levels. The largest gains were in poultry and hog numbers, up 11 percent and 6 percent, respectively, from a year earlier, while total cattle were up 3 percent and cows and sheep and goats were up 2 percent.

Total meat output (live weight) in the socialized sector rose 3 percent to a record 13.4 million tons during January-October, compared with a year earlier. Milk production, at 59.1 million tons, made no gain, whereas egg output was up 6 percent to a record 34.1 billion eggs.

Industrial meat output (from government-held supplies) during January-October was 7.3 million tons, 4 percent above the year-earlier level. Monthly output, which had shown relatively good gains in January through June, compared with the year-earlier corresponding months, fell somewhat behind 1977 monthly levels in July through October. However, output of whole milk products was up 2 percent during January-October, but butter lagged by 2 percent behind the year-earlier level.

Following the July 1978 Plenum of the USSR Central Committee of the Communist Party on Agriculture, two party and government resolutions were recently adopted. One resolution establishes large increases in government procurement prices, while the second resolution provides assistance to financially troubled state and collective farms.

These price increases, effective January 1, 1979, will cost the government 3.2 billion rubles annually. There will be no increase in retail prices.

According to the second resolution adopted, debts outstanding on USSR State Bank loans, especially to those collective and state farms

experiencing financial difficulties, are to be written off in the amount of 7.3 billion rubles. (*Michael D. Zahn*, 202-447-8380)

Eastern Europe⁸

Gross agricultural production in Eastern Europe is up in 1978. Total grain output is estimated at 93 to 94 million tons, close to last year's result. Heavy and steady rains in Poland and the German Democratic Republic in August and September and the relatively cool and dry summer in Romania caused some damage to grain. Moreover, both small grains and corn were harvested with high moisture content; consequently, a large volume had to be dried, and storage losses might be higher than average.

The USDA estimates that the East European grain import level in fiscal 1979 will remain about the same as in the previous year—13 million tons. The larger storage losses, lesser quality of grain, and increased demand for feed will be offset by reduced grain exports and by feeding more potatoes and forages.

Production of selected commodities,
Eastern Europe

Commodity	1977	1978 ¹
<i>Million tons</i>		
Grains	93.1	93.5
Potatoes	64.3	68.0
Sugarbeets	50.0	51.3
Oilseeds ²	3.6	3.7

¹ Estimate. ² Sunflower, soybeans, and rapeseed.

Oilseeds, potato, and sugarbeet output will exceed last year's level, but no significant change in grain products and sugar trade is foreseen.

Both summer and fall harvest were several weeks later than usual, but crops ripened without suffering frost damage. The late harvest and rain-soaked soil, however, prevented timely fall sowing. Therefore, the sown area of grains in Poland and Yugoslavia, and of rapeseed in Poland, are less than planned. The prospective shortfall from the reduced area of wheat, however, is somewhat offset by the sowing of higher yielding varieties. In addition, increased sowing of barley and corn in the spring may serve as substitutes.

The value of fiscal 1978 U.S. exports to Eastern Europe is estimated at \$1.1 billion (including transshipments). Corn is the leading export commodity with 32 percent of the total, followed in value by soybean meal (20 percent), soybeans (13

percent), and wheat (11 percent). U.S. exports may grow somewhat in fiscal 1979 because of increased corn exports to Romania, Bulgaria, and Yugoslavia.

Despite the chronic negative hard-currency trade balance, East European countries are expected to continue to import large quantities of feed to cover the needs of an increased livestock inventory and, consequently, to assure adequate domestic meat supply at subsidized low prices.

To facilitate exports to Eastern Europe for fiscal 1979, the United States, to date, has granted a \$200 million Commodity Credit Corporation credit line to Poland, \$110 million to Romania, \$18.5 million to Hungary, and \$10 million to Yugoslavia.

Following Yugoslavia, Poland, and Romania, Hungary became the fourth East European nation to obtaining "most favored nation" treatment from the United States. A new agreement between the two countries creates an improved economic climate by providing for mutual duty reductions and the elimination of discrimination in trade between the two countries, allowing both greater access to each others markets. The improved trade relations has led to Hungary's purchases of U.S. cotton for the first time.

Poland is expected to remain a major importer of U.S. grains and oilseed products because domestic feed production is inadequate and because increased domestic meat production is a principal goal of Polish policy. During the first 8 months of 1978, Poland increased slaughter hog purchases from farmers by 18 percent, but the market supply of meats grew only 3 percent due to the discontinuation of meat imports and the stepping up of meat exports. The increased supply did not eliminate shortages because demand is being kindled by growth in disposable income at an annual rate of 8 percent, and by relatively low retail prices for meat. (*Thomas A. Vankai*, 202-447-8380)

People's Republic of China

Although China's agriculture probably will not keep pace with the rest of the economy's rapid recovery in 1978, it will, nonetheless, register major gains over previous years. Much of the gain is attributed to an expected record grain crop. However, it does not appear that the goal for grain production—a 15-million-ton increase over the poor 1977 crop—will be attained. Initial Chinese assessments of the 1978 crop indicated that, based on preliminary results from the autumn harvests, the output of grain (probably including soybeans), cotton, oil-bearing crops, sugar, and other crops show an increase over last year—after combating the worst drought in 29 years in the middle and lower reaches of the Yangtze River.

⁸Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, Romania, and Yugoslavia.

A *People's Daily* editorial on October 1 claimed an increase of more than 10 million tons in the early grain harvest, which is comprised of summer harvested grains and early rice. But, due to severe drought that has persisted since spring with varying degrees of intensity in the central and eastern parts of the country between the Yangtze and Yellow Rivers, the late grain harvest, comprising two-thirds of total grains, may be no better than last year's good crop. An outstanding late rice crop accounted for most of the increase in the 1977 late harvest. A repetition does not appear likely in 1978. The 1978 late grain crop probably will show an increase in coarse grains and tuber crops (principally sweet potatoes) and a decline in the late rice crop. It appears, therefore, that the gains in early grain production previously announced may represent the major, if not the total, increase in grain production in 1978.

Preparations for the 1979 grain crop were also hampered by the drought. Roughly 30 percent of the winter wheat crop was planted in areas concurrently with activities aimed at reducing the effects of the drought. The Chinese press reported that 80 percent of the winter wheat in the 13 northern wheat-producing province-level units had been planted in good time. But in some areas both the timing and the quality of sowing were below standard. Widespread rainfall since late October has provided a major boost to the fall-sown crops.

The PRC will be importing record amounts of grain during 1978/79 (July-June), with the United States supplying a substantial share for the first time since 1974. USDA is now projecting PRC imports of 13 million tons of grain during 1978/79, 50 percent above the previous record of 8.6 million tons in 1977/78. Wheat imports are expected to reach a record 9 million tons during the year, making the PRC the world's largest wheat importer during 1978/79. China will also be importing substantial amounts of corn—an estimated 4 million tons—for the first time since 1974.

This high level of grain imports, together with an apparent willingness on China's part to consider U.S. agricultural products more favorably than in the past, has caused a sharp rise in U.S. sales to the PRC. Since this April, the United States has sold the PRC 6.6 million tons of grain—3.9 million tons of wheat and nearly 2.7 million tons of corn. These purchases include over 900,000 tons of wheat for marketing year 1979/80 delivery, suggesting that the PRC intends to continue importing significant amounts of U.S. grain.

China has also bought substantial amounts of other U.S. farm products, particularly cotton. By mid-November, purchases of U.S. cotton for marketing year 1978/79 delivery had already exceeded 360,000 bales, and total sales for the year

are likely to exceed the 414,000 bales shipped during 1977/78.

China's large grain and cotton purchases, together with smaller purchases of soybeans, soybean oil, tallow, and miscellaneous products, will likely push the value of calendar 1978 U.S. agricultural exports to the PRC to over \$600 million. This approaches the record \$664 million of agricultural products shipped to China during 1974. Purchases of grain and cotton for calendar 1979 delivery are already substantial, suggesting that China's imports of agricultural products next year may well exceed this year's level. (*Frederic M. Surls*, 202-447-8380)

Asia

Agricultural production in developing Asia will be up about 3 percent during 1978, less than expected prior to the recent flood damage in India and Bangladesh. Of the 12 countries in this area for which USDA prepares indices, 6 recorded increases, 5 registered declines, and the Philippines remain unchanged. Record levels of agricultural output were achieved in Bangladesh, Sri Lanka, Burma, Indonesia, South Korea, and Thailand. Indonesian agricultural output climbed 8 percent in 1978, led by a 13-percent recovery in the rice harvest. Rice production reached record levels in many countries, causing some countries to export rice and creating storage problems in others.

India's 1978/79 production of food grains is expected to be in the 128 to 130-million-ton range—up from the previous record of 125.6 million tons harvested during 1977/78. Rice production is likely to show little change from the record 52.7 million tons in 1977/78. Severe September floods in some areas of the Gangetic Plain appear to have reduced the 1978/79 rice harvest about 8 percent from an earlier estimate. Coarse grain production during 1978/79 likely will reach about 32 million tons—up from 30 million tons in 1977/78. Higher production of sorghum and millet will more than offset losses of corn from flood damage.

Greater use of fertilizer and high-yielding varieties, coupled with excellent soil moisture, should allow India to harvest a record wheat crop of more than 32 million tons in the spring of 1979—up from the 31.2 million tons harvested last spring. High prices should result in 1978/79 pulse production of more than 12 million tons.

Substantial imports of vegetable oils, cotton, pulses, and nuts kept India's total agricultural imports above \$1 billion in 1978. Imports of soybean oil are likely to remain near 500,000 tons in 1978/79, including possibly 150,000 to 300,000 tons from the United States.

Wheat exports in calendar 1978 apparently exceeded 1.3 million tons, mostly to the Soviet

Union and Vietnam. Rice exports increased to nearly 80,000 tons in 1978, including 52,000 tons to Indonesia. The limit for exports of peanut meal was raised to 800,000 tons, but the ban on peanut exports remained.

Pakistan has completed its 1979 wheat planting. Concerted efforts were made to increase production by purchasing about 25,000 to 30,000 tons of rust resistant wheat seed from India, Turkey, and Mexico to prevent a repeat of the widespread rust infestation last year. In addition, good monsoon rains, high soil moisture, and plenty of irrigation water, along with an adequate supply of fertilizer, may allow Pakistan to harvest a wheat crop of around 9 to 9.2 million tons in 1979.

The *Bangladesh* food situation continued favorable despite the ferocity of this season's monsoon which generated both drought and floods. The 1978 rice crop is now expected to approach 13.5 million tons, down only about 1 percent from earlier estimates. Wheat production for the 1979 crop is forecast at 400,000 tons, a 15-percent increase over the 1978 crop.

Current indications are that 1978/79 (July-June) imports of wheat will reach 1.6 million tons, about 50 percent of which is expected to come from the United States under PL 480. Total imports of rice in 1978/79 are expected to reach only 50,000 tons. Closing food grain stocks by mid-1979 are now expected to total 1.1 million tons, indicating an adequate food supply level, but also exerting pressure on existing storage capacity.

Due to a bumper rice crop in 1978 and previous commitments to import rice and wheat flour, *Sri Lanka* is facing a major storage problem. To ease that problem, Sri Lanka has decided to sell 9,000 tons of rice to Indonesia. This would be the first rice exported by Sri Lanka since 1946.

Recent heavy rains in the corn growing regions of *Thailand* have virtually assured a large 1978 corn crop, now estimated at 3.3 million tons, and should translate into a corn export level of about 2.2 million tons for 1978/79. This includes expected sales to new customers: PRC (100,000 tons), North Korea (20,000 tons), and Vietnam (20,000 tons).

Despite September and October floods, prospects for the main rice crop, harvested primarily during October-December, remain good. It is estimated that rice production for 1978 should reach 10.6 million tons, about 7 percent above the 1977 rice crop. Rice available for export in calendar 1979 is expected to reach 2.2 million tons.

Indonesia's 1978 rice crop has been revised upward to 17.7 million tons, (milled basis), a full 2 million-ton increase from the 1977 harvest. Sharply increased area and higher yields because of significant increases in fertilizer utilization, absence of wereng pest infestations, and a shift to rice from

other food crops explain much of the increase during 1978. Assuming that weather conditions will be more normal in 1979, the rice production has been tentatively placed at 17.2 million tons for the coming year.

Typhoon damage during October reduced the current *Philippine* rice crop by about 250,000 tons. Two typhoons were responsible for the damage, each passing through the major rice growing region of Central Luzon. Some damage to the sugar crop also occurred, with strong winds causing lodging of canes and shredding of leaves. Early millings of the new sugar crop indicated a somewhat lower sucrose content. Official government sources have forecast the 1978/79 sugar crop at 2.15 million tons, compared with the earlier forecast of 2.4 million tons.

Burma's rice production in 1978 is forecast at a record 10 million tons, up 14 percent over previous estimates and last year's harvest. If the expected harvest is attained, 1978/79 exports could reach 600,000 tons, still less than 50 percent of the high export levels enjoyed in the early sixties. Attainment of this export level may be hampered by a switch in recent years to better grades of rice in some of Burma's traditional markets.

Taiwan's third consecutive bumper rice harvest totaled about 2.4 million tons in 1978. Because storage facilities are inadequate and the country has had to export rice, Taiwan is trying to get farmers to switch from rice to corn or oilseed production.

In *South Korea*, less favorable weather will result in a slight decline in the 1978 rice harvest to about 5.5 to 5.8 million tons. Rice carryover stocks will also be somewhat lower than they were a year earlier.

U.S. agricultural exports to South Korea may increase about 20 to 25 percent in fiscal 1979 following strong year-earlier shipments that exceeded \$1 billion. U.S. shipments of cotton might reach a record 1.3 million bales valued at over \$400 million in fiscal 1979, and corn shipments should surpass 2 million tons valued at over \$225 million. Strong gains in sales of cattle hides, tallow, live animals, and soybeans are also likely. (*E. Wayne Denney*, 202-447-8107)

Africa and West Asia

Desert Locusts

At a mid-November meeting of the Desert Locust Working Group at the U.N. Food and Agriculture Organization in Rome, it was reported that overall locust conditions continue to worsen, especially in some key areas that include the Ogaden and Eritrea in *Ethiopia* which are not accessible because of internal hostilities. The

pressure from locusts continues for broad areas of East Africa, around the Red Sea, and even in southwestern Iran, since winter breeding conditions are expected to continue favorable over the next 3 months.

The group also noted that a buildup of locusts in *Nigeria* requires watching but that, at the time of the meeting, Northwest Africa remained free of locusts. The group concluded that, among the countries threatened by a locust plague, only Pakistan and India were then capable of mounting an effective large-scale control campaign.

North Africa

With generally good grain crops across North Africa in 1978, the region's grain import estimate for the year remains at about 9.6 million tons of wheat (including grain equivalent of flour) and 1.4 million tons of feed grains. *Egypt* will take the largest share, importing 5.4 million tons of wheat and flour (grain equivalent)—about 1 million above 1977—and about 750,000 tons of corn. The EC and Turkey accounted for much of the increase.

East Africa

Ethiopian agricultural prospects remain unpromising despite near-normal rainfall in most provinces following last year's drought. The country has been beset by locust damage, plant disease, flooding, a shortage of agricultural inputs, and internal disturbances resulting in an urgent requirement for cereal imports of up to 500,000 tons by next June. Inadequate port facilities and internal transportation represent problems nearly as great as short supply.

In *Sudan*, reports of the damage to crops from July flooding vary greatly. Although less cotton was likely planted and less inputs used on cotton, greater availability of ground water could improve yields, thus mitigating the production decline.

Kenya has a sugar expansion program underway, and record production (284,000 tons) and consumption levels are estimated for 1978. Kenya remains a net importer of sugar but imports are decreasing as a proportion of domestic consumption, declining to 11 percent in 1978. Self-sufficiency is expected to be attained in the early 1980's. Prices are set relatively high by the Kenya Sugar Authority to provide satisfactory incentives to producers. Cane prices are equivalent to about \$17.75 per ton and ex-mill sugar prices are about \$373.30 per ton, while retail sugar prices are fixed at \$0.60 a kilogram.

Grain prices in *Tanzania* will be increased in June 1979, by 17.6 percent, 15.4 percent, and 8 percent for corn, rice (paddy), and wheat respectively. Both increased plantings of wheat

and rice and larger production of all three grains are expected for 1979.

Production of wheat, corn, rice, and sugar have generally been increasing since the years of low output in 1973 and 1974. Farmers were faced with drought then, and with dislocation from the villagization program. Corn, rice, and wheat crops increased in 1978. Excellent weather was a factor. Corn supplies in rural areas are believed ample. Most of the corn is produced by small holders, but larger farms are accounting for more of the marketed corn. In 1977/78, marketings from large government farms should make up about 16 percent of the estimated 126,000 tons marketed.

Government-guaranteed producer prices were also increased for a number of other crops including cotton, tobacco, cashew nuts, and pyrethrum. Flue-cured tobacco was increased by 69 percent, cashew nuts by 26 percent, and seed cotton (AR) by 25 percent.

Southern Africa

Near-record coarse grain exports of about 3.6 million tons are expected from the Republic of South Africa during the current marketing year (May-April). Japan and Taiwan are likely to be the major markets. Near-record yields in 1978 resulted in a corn harvest estimated at 10.05 million tons that was exceeded only by the 1974 harvest.

Expected exports of about 3.3 million tons of corn would be the second highest on record. South Africa's domestic corn consumption has been dropping in recent years and relatively large carryover stocks—about 2 million tons—are expected.

West Asia

Iran's wheat harvest for 1978 was 5.3 million tons, 6 percent above last year's output. Wheat imports for 1978/79 are estimated at 1.3 million tons. Barley area and production were down due mostly to farmer dissatisfaction with prices. Corn production is being encouraged by high guaranteed prices. Feed grain consumption is up, estimated at 2.3 million tons, with 54 percent imported. The increase is due to the expanding poultry, dairy, and other livestock sectors. Despite contracting area, rice production in 1978 was 850,000 tons (milled), up 13.3 percent from 1977. Rice imports are expected to total 500,000 tons.

Recent political unrest in Iran has caused delays in unloading of thousands of tons of imported food and bulk grains in Persian Gulf ports, and has interrupted the internal marketing of food products.

A number of major development projects have been cancelled. A change in development strategy will divert funds from defense and industry

programs to the agricultural sector. A significant increase in farmer subsidies is expected. Prices paid to farmers for wheat have already gone up 20 percent. Subsidies for other commodities such as cotton, barley, eggs, and poultry are expected to increase.

Although total imports will decrease, imports will remain high as demand continues much greater than the domestic agricultural sector can supply.

Turkey sold 1.7 million tons of wheat in the first 11 months of 1978, almost half going to Iraq in exchange for oil.

Turkish agricultural exports for the first 8 months of 1978 increased by 42 percent, led by wheat and animals and animal products. The increase in total exports and decrease in total imports, reduced the trade deficit to \$1.5 billion, about half that of the same period in 1977.

Rains in September delayed the cotton and sunflowerseed harvest but helped grain producers by providing moisture for fall plantings. (*Africa and West Asia Area*: 202-447-8966)

Latin America

In 1978, improved growing conditions contributed to strong recoveries for agriculture in Argentina, Bolivia, Uruguay, and most areas of the Caribbean and Central America. Output continued up sharply in Colombia, Guyana, and Venezuela. However, persistent dry weather limited expansion in Mexico and cut back production in Brazil, Ecuador, and Peru. Total agricultural production in Latin America is forecast to increase by about 2 percent, compared with a 4-percent rise in 1977.

Current estimates indicate further gains in Latin American output of coffee, sugar, bananas, vegetables, and livestock products during 1978. Wheat production recovered from the low 1977 volume of 11.5 million to about 14 million tons, reflecting increased plantings and better growing conditions in Argentina, Mexico, and Uruguay. However, reduced plantings contributed to a moderate decline in cotton. Because of severe drought in Brazil, production of soybeans and corn fell significantly below record 1977 volumes of 14.2 million and 43 million tons, respectively, and Latin American rice production declined further in 1978.

Larger supplies encouraged an increase in Latin American exports of coffee and cotton in 1978, and volumes of fruits, vegetables, meat and other livestock products rose in response to strong demand. However, total trade earnings fell because of lower coffee prices and smaller availabilities of wheat and soybeans. Imports of feed grains, vegetable oils, and animal fats continued to rise, and purchases of wheat and soybeans have reached all-

time highs. U.S. agricultural imports from Latin America for January-September 1978 were near the record \$4.5 billion for the same 1977 period, but U.S. exports reached a new high of \$2.2 billion, up from \$1.7 billion the previous year.

Argentina's 1978 corn crop (9.5 million tons) added to record harvests of sorghum (6.9 million tons) and edible oilseeds (4.6 million tons). Wheat exports from the small 1977 crop were down sharply, but larger 1978 harvests and liberalized trade policies encouraged a strong 1978 rise in sales of feed grains, oilseeds, and related products. Cattle slaughter continued to increase in response to higher prices, and 1978 beef exports are currently estimated at about 750,000 tons, compared with 605,000 the previous year.

Wheat plantings for the late 1978 harvest were increased and despite late damage from heavy rains, production is currently forecast at about 7.4 million tons, compared with 5.3 million for 1977. A further increase in soybean plantings is anticipated and preliminary forecasts indicate a 1978 crop exceeding 3 million tons. A shift to soybeans may limit expansion of corn, and production of beef may decline in 1979 because during increased slaughter of the past 2 years.

Brazil's agriculture and trade was set back in 1978 by the worst drought on record in the southern areas that produce a large porportion of the country's livestock and commercial crops. The corn crop was the smallest since 1969, and imports of 2 million tons were authorized to meet domestic requirements during the April-March 1978/79 marketing year. Exports from the reduced soybean crop were down sharply from record 1977 volumes. The drought cut back early 1978 harvests of cotton and rice and limited the output of livestock products.

Dry weather also cut sugarcane yields and, because of restrictions under the International Sugar Agreement, exports were reduced. The Government reduced quotas on sugar production for 1979 to 7.2 million tons, about 15 percent below 1978. Increased coffee production (1.2 million tons) and reduction of official export prices encouraged some recovery in coffee exports but damage from August frosts is expected to restrict expansion in 1979. Because of planting delays, the 1978 wheat crop is forecast only moderately above the small 1977 harvest of 2 million tons, and imports are expected to continue near the high 1978 level of about 4 million tons next year.

Mexico's wheat production rose from the low 1977 volume of 2.3 million tons to 2.7 million tons in 1978. Sugar recovered after a 2 year decline, and output of fruits, vegetables, meat, and milk continued to rise in response to strong demand. However, low prices encouraged some reduction in

cotton plantings. Restricted supplies of irrigation water resulted in cutbacks for rice and soybeans, and available supplies of oilseeds will be down sharply in 1979. Persistent dry weather also limited expansion in production of corn and sorghum, and the coffee crop was significantly below a year earlier.

Large supplies of 1977 cotton and increased sales of fruits, vegetables, cattle, and meat helped maintain agricultural exports in 1978, and imports rose in response to strong demand for grains and other food products. U.S. agricultural imports from Mexico during January-September 1978 fell slightly below the \$836 million reached a year earlier, while U.S. agricultural exports to Mexico were

\$570 million compared, with \$499 million in 1977. The 1979 outlook for exports is less favorable but further increases in Mexican imports of grains, oilseeds, and fats and oils are anticipated.

In *Other Latin America*, there were production gains for coffee, bananas, cotton, grains, and livestock products. Crop production recovered in Uruguay and agricultural output continued a strong rise in Colombia and Venezuela. A sharp decline in Chile's production of grains and other crops in 1978 is attributed to trade liberalization which removed restrictions upon imports. Serious drought caused damage to food crops in Ecuador, Paraguay, and Peru. (*Howard L. Hall*, 202-447-8133)

FOOD AND TRADE POLICY DEVELOPMENTS

Multilateral Trade Negotiations

MTN and Countervailing Duties

The United States is trying to negotiate a final agreement in the Multilateral Trade Negotiations (MTN) by the end of 1978. Expiration of legislative authority to waive U.S. countervailing duties on subsidized foreign exports to the United States has been a controversial topic of discussion at the Geneva talks. The authority expires January 2, 1979, and the U.S. Congress did not renew it in its last session in 1978.

Countervailing duties are intended to equal, and thus to offset, the value of certain types of subsidies paid to exporters or producers. The congressional intent of the waiver authority was that the President should, to the extent possible and consistent with U.S. interests, seek to negotiate the establishment of internationally agreed rules and procedures governing subsidies. Imposition of the countervailing duties would primarily affect exports of the EC into the United States. Some Congressional leaders have indicated their intention to reintroduce authorization for the waiver in the 96th Congress. A draft code that would oblige signatory countries to limit export and domestic subsidies that result in distortions in international trade continues under discussion in the MTN. (*Eileen M. Manfredi*, 202-447-7590)

Other MTN Issues

MTN participants are seeking increased access to foreign markets by reducing the use of non-tariff barriers to trade (NTB's). The principal types of NTB's being negotiated are subsidies, safeguards, standards, government procurement, customs valuation, and licensing. Draft international codes in each of these areas are essentially complete.

Subsidies/Countervailing Duties. This code deals with government subsidies to domestic industries which create distortions in international trade.

Safeguards. The purpose of this code is to delineate acceptable procedures for handling cases where countries restrict imports in order to prevent or remedy serious injury to domestic producers of similar or directly competitive products.

Standards. This code, if accepted, would establish guidelines concerning procedures by which product standards and specifications are prepared, adopted and applied. Its purpose is to prevent the above from becoming technical barriers to trade.

Government Procurement. The purpose of this code is to enable U.S. exporters, principally of industrial products, to have an opportunity to bid on products requested by foreign governmental procurement entities.

Customs Valuation. This code would establish the international standardization of a customs valuation system which would effectively eliminate the non-tariff barrier effects of many countries' existing valuation systems.

Licensing. The purpose of this code is to simplify and harmonize, to the greatest extent possible, the procedures which importers must follow in obtaining an import license, so that procedures do not themselves constitute an unnecessary obstacle to international trade. (*Foreign Agricultural Service, Trade Policy Division*, 202-447-7677)

Common Fund

UNCTAD (United Nations Conference on Trade and Development) meetings in November on the establishment of a proposed "Common Fund" to finance price stabilization arrangements for pri-

mary commodities recessed until February 1979. Negotiators for the industrialized and developing countries narrowed, but failed to resolve differences over the size and use of the fund, particularly the developing country proposal to use some of the proceeds for development aid. Although developed countries, including the United States, offered to contribute to a common fund, the expectations of the developing countries substantially exceeded what the industrialized countries were prepared to offer.

International Wheat Agreement

The establishment of an international system of nationally held grain reserves—an objective established by the 1974 World Food Conference—had not been achieved as of early December. Negotiations for a new International Wheat Agreement (IWA) were suspended in November after nego-

tiators failed to reach agreement on trigger price levels, size of reserve stocks, and special provisions concerning developing countries such as the financing of their stocks. A new consultative arrangement on coarse grains is expected to be part of a new agreement.

Negotiations for a new Food Aid Convention are part of overall IWA negotiations, and were also suspended in November. General acceptance appears to exist for an overall minimum food-aid goal of 10 million tons of grain. The United States offered to provide 4.47 million tons (more than double commitments under the old convention), to match the collective contributions of other members in excess of the initial U.S. pledge—contributions pledged by other donors now total about 3.3 million tons—and to join with others in providing increased food assistance to meet extraordinary situations. (*Eileen M. Manfredi*, 202-447-7590)

Table 2.--U.S.: PRICE CHANGES AT THE FARM, FOREIGN TRADE, AND CONSUMER LEVELS, III QUARTER 1977 TO III QUARTER 1978

	PRICE RECEIVED BY FARMERS	20.2	11.4	14.9	--	--	--	43.8	--	21.2
EXPORT UNIT VALUE	22.5	13.1	-11.5	34.4	--	--	--	--	--	10.2
IMPORT UNIT VALUE	--	--	--	--	37.2	4.3	-18.5	51.5	--	-6.3
CONSUMER PRICE	17.8	--	27.2	--	37.1	11.1	--	28.9	--	10.3

1/ Bread and Bakery Products.
2/ Fats and Oils.
3/ Roasted Coffee.

TABLE 3.--PRICES RECEIVED BY FARMERS FOR SELECTED COMMODITIES, CHANGES IN 1977 AND 1978 FROM THE SAME QUARTER A YEAR EARLIER

COUNTRY	QUARTER	BEEF	PORK	BROILERS	EGGS	MILK	WHEAT	CORN	RICE	BARLEY	SOYBEANS	POTATOES	INDEX OF PRICES RECEIVED BY FARMERS	
													1977	1978
UNITED STATES	III 1978	43.8	9.7	16.3	-5	8.0	34.2	20.2	14.9	---	11.6	24.8	21.2	21.2
	II 1978	41.7	18.3	16.8	-4.0	6.9	27.7	1.8	42.2	2.5	-25.3	-11.5	12.7	12.7
	III 1978	-1.8	-2.9	-16.2	-22.9	---	---	---	---	4.6	44.4	---	20.7	5.4
JAPAN	III 1978	-1.8	-2.9	-16.2	-22.9	---	---	---	---	---	---	---	---	---
WEST GERMANY	II 1978	-1.5	-9.5	-2	-15.9	.9	8.9	2.3	---	-4.6	---	-46.4	-5.1	---
FRANCE	II 1978	8.4	-2.4	6.8	5.1	8.5	7.0	8.3	---	2.6	---	7.1	4.0	---
ITALY	II 1978	13.8	10.4	14.4	23.5	.4	6.2	3.1	---	16.7	---	47.6	8.6	---
NETHERLANDS	II 1978	3.5	-2.6	-4.2	-13.0	2.4	-1.6	---	---	-6.2	---	-32.9	-2.0	---
BELGIUM	II 1978	3.3	-5.8	-6.1	-16.2	-4	-2.0	---	---	-1.0	---	-26.4	3.3	---
UNITED KINGDOM	III 1978	16.3	17.4	4.6	-3.9	2.7	-27.3	---	---	-35.3	---	---	4.2	---
IRELAND	II 1978	14.3	5.9	7.1	-6	11.4	19.2	---	---	27.0	---	118.5	13.9	---
DENMARK	II 1978	13.9	8.8	-4	6.1	9.4	8.5	---	---	-6.4	---	-16.0	8.2	---
EC-9	II 1978	9.9	27.8	6.5	-2	4.1	2.8	6.4	---	-1.2	---	-35.8	3.8	---

TABLE 5.--EXPORT AND IMPORT UNIT VALUES OF SELECTED COMMODITIES: CHANGES
FROM THE SAME QUARTER A YEAR EARLIER

	UNITED STATES			JAPAN	WEST GERMANY	CANADA
	PERCENT CHANGE					
	1978	1978	1978	1978	1978	1978
	2ND QTR.	3RD QTR.	2ND QTR.	3RD QTR.	3RD QTR.	3RD QTR.
WHEAT	6.9 (X)	22.5 (X)	-11.8 (I)	7.5 (I)	1.2 (X)	
CORN	1.6 (X)	13.1 (X)	-23.7 (I)	4.0 (I)	19.8 (X)	
SOYBEANS	-22.5 (X)	-11.5 (X)	-35.4 (I)	-5.6 (I)	-10.3 (I)	
SOYBEAN OIL	.6 (X)	.9 (X)	---	---	12.4 (I)	
SOYBEAN MEAL	-18.9 (X)	3.1 (X)	---	-6.1 (I)	-7.5 (I)	
COTTON	-20.5 (X)	-15.4 (X)	-36.2 (I)	-10.3 (I)	-4.3 (I)	
TOBACCO	10.5 (X)	18.4 (X)	---	-4.4 (I)	18.5 (X)	
RICE	29.4 (X)	34.4 (X)	---	5.2 (I)	20.9 (I)	
COFFEE	-29.5 (I)	-37.2 (I)	-34.6 (I)	-42.4 (I)	-30.2 (I)	
SUGAR	5.0 (I)	4.3 (I)	-35.4 (I)	-17.7 (I)	-6.8 (I)	
COCOA BEANS	6.1 (I)	-18.5 (I)	-24.0 (I)	-46.0 (I)	5.2 (I)	
BEEF	26.7 (I)	51.5 (I)	10.6 (I)	-3.2 (I)	53.8 (X)	
NATURAL RUBBER	6.4 (I)	11.9 (I)	-10.4 (I)	7.5 (I)	17.0 (I)	
EXPORT UNIT VALUE INDEX	-9.7	10.2	-17.6	-1.5	1.0	
IMPORT UNIT VALUE INDEX	-11.1	-6.3	-17.5	-10.5	-4.4	

I = IMPORT, UNIT VALUE

X = EXPORT, UNIT VALUE

TABLE 6.--THE FOOD COMPONENT OF THE CONSUMER PRICE INDEX IN SELECTED COUNTRIES

	1972	1973	1974	1975	1976	1977	1977				1978	
							I	II	III	IV	I	II
1970=100												
ARGENTINA	231	359	413	1187	6632	18610	13150	15689	19419	26011	31293	40428
AUSTRALIA	108	124	143	154	173	193	184	190	197	201	202	209
AUSTRIA	110	114	128	136	144	154	151	153	156	155	156	159
BANGLADESH	148	217	366	443	357	381	346	378	418	428	430	0
BELGIUM	109	117	128	143	160	169	168	167	170	172	174	170
BRAZIL	100	120	154	199	267	392	365	383	411	431	0	0
CAMEROUN	114	123	146	171	186	0	203	216	0	0	0	0
CANADA	109	125	145	164	168	182	173	179	186	191	194	209
COLOMBIA	128	169	215	281	329	448	396	473	476	476	474	536
CZECHOSLOVAKIA	99	100	100	100	100	102	101	101	103	104	104	0
DENMARK	116	131	147	163	181	202	193	198	204	213	216	219
ECUADOR	118	142	182	223	245	280	271	272	288	302	302	0
EGYPT	106	140	135	152	174	198	185	197	207	207	209	223
ETHIOPIA	08	09	108	113	103	186	169	177	203	197	205	229
FRANCE	115	126	141	158	175	197	185	193	199	203	205	210
GERMANY, WEST	110	118	124	130	137	144	142	145	145	143	147	146
GREECE	109	133	169	189	215	246	236	246	242	259	276	290
INDIA	108	131	171	179	156	172	164	169	176	177	175	0
INDONESIA	113	162	229	277	336	372	359	367	379	387	396	0
IRAN	116	124	144	161	172	205	195	211	210	202	242	0
IRELAND	120	140	160	195	227	264	251	263	271	271	275	284
ISRAEL	123	149	215	314	402	570	491	530	560	679	743	786
ITALY	111	124	146	172	202	241	228	236	245	252	259	267
JAPAN	110	124	159	186	196	209	206	209	210	211	213	212
JORDAN	118	140	189	219	251	286	280	284	286	287	300	288
KUWAIT	135	138	176	233	274	306	291	298	318	316	335	344
LIBERIA	91	116	149	172	172	188	183	187	193	192	197	0
MALAWI	116	124	144	172	176	179	172	173	173	183	201	194
MALAYSIA	105	121	154	159	162	171	169	168	172	175	175	177
MEXICO	109	126	164	184	208	267	250	263	273	283	292	305
MOZAMBIQUE	130	127	155	174	188	0	195	231	0	0	0	0
NETHERLANDS	111	120	129	139	153	163	159	163	165	165	161	161
NEW ZEALAND	114	127	142	157	186	218	205	212	223	229	230	238
NIGER	123	144	148	160	231	255	239	242	273	267	264	266
NIGERIA	126	120	150	214	266	358	304	350	397	384	414	0
PAKISTAN	105	131	171	209	222	247	246	244	248	249	253	255
PARAGUAY	121	147	183	192	200	222	220	223	220	226	235	239
PERU	115	126	156	199	263	369	329	351	392	406	417	441
PHILIPPINES	157	182	244	247	241	309	296	304	318	324	326	326
PORTUGAL	120	131	173	214	264	345	323	360	347	352	368	393
SOUTH AFRICA	112	129	149	171	184	203	196	199	206	211	218	220
SPAIN	118	132	152	177	211	261	235	245	277	284	291	298
SRI LANKA	108	122	139	150	146	149	148	150	149	148	162	172
SWEDEN	119	126	134	150	160	193	181	190	200	202	211	211
THAILAND	101	122	157	164	173	193	183	190	198	200	203	206
TURKEY	127	152	181	235	277	294	309	337	381	421	451	501
UNITED KINGDOM	121	139	164	206	247	294	286	296	297	299	305	315
UNITED STATES	108	123	141	153	157	167	162	167	170	170	171	179
URUGUAY	241	409	844	1442	2123	3491	2857	3287	3749	4069	4172	4690
VENEZUELA	109	117	132	151	164	185	174	182	189	192	195	199
YUGOSLAVIA	139	169	196	244	276	335	326	339	327	344	372	389
ZAIRE	133	155	200	261	513	873	0	0	749	979	1117	1292
ZAMBIA	112	119	103	145	177	209	198	206	212	213	221	232

1/ 1972=100.

SOURCE: INTERNATIONAL LABOR OFFICE, BULLETIN OF LABOR STATISTICS.

TABLE 7.--CONSUMER PRICES FOR FOOD, CHANGES IN 1978 FROM THE SAME QUARTER A YEAR EARLIER

COUNTRY	QUARTER	PERCENT CHANGE
ARGENTINA	II	157.7
AUSTRALIA	II	10.0
AUSTRIA	II	3.9
BANGLADESH	I	24.3
BELGIUM	II	1.8
BRAZIL	II	-
CAMEROON	II	-
CANADA	II	16.9
COLOMBIA	II	13.3
CZECHOSLOVAKIA	I	3.0
DENMARK	II	10.6
ECUADOR	I	11.4
EGYPT	II	13.2
ETHIOPIA	II	29.4
FRANCE	II	8.8
GERMANY, WEST	II	0.7
GREECE	II	17.9
INDIA	I	6.7
INDONESIA	I	10.3
IRAN	I	24.1
IRELAND	II	8.0
ISRAEL	II	48.3
ITALY	II	13.1
JAPAN	II	1.4
JORDAN	II	1.4
KOREA	II	15.4
LIBERIA	I	7.7
MALAWI	II	12.1
MALAYSIA	II	5.4
MEXICO	II	16.0
MOZAMBIQUE	II	-
NETHERLANDS	II	-1.2
NEW ZEALAND	II	12.3
NIGER	II	9.9
NIGERIA	I	36.2
PAKISTAN	II	4.5
PARAGUAY	II	7.2
PERU	II	25.6
PHILIPPINES	II	7.2
PORTUGAL	II	9.2
SOUTH AFRICA	II	10.6
SPAIN	II	21.6
SRI LANKA	II	14.7
SWEDEN	II	11.1
THAILAND	II	8.4
TURKEY	II	48.7
UNITED KINGDOM	II	6.4
UNITED STATES	II	7.2
URUGUAY	II	42.7
VENEZUELA	II	9.3
YUGOSLAVIA	II	14.7
ZAIRE	II	-
ZAMBIA	II	12.6

Table 8. International export prices for selected fertilizer products.

Product	1977			1978		
	Aug.	Sept.		July	Aug.	Sept.
	(. US\$/metric ton.)					
Urea (bagged) f.o.b. Western Europe	130-150	130-145		140-150	145-150	145-150
Ammonium Sulphate f.o.b. Japan	60-70	60-70		70-80	70-80	70-80
Diammonium Phosphate f.o.b. US Gulf	140-150	145-150		137-142	142-144	145-150
Triple Superphosphate f.o.b. US Gulf	100-115	105-110		97-100	102-103	104-105
Potassium Chloride (Muriate) f.o.b. Vancouver	43-50	45-55		52-60	52-60	57-62

Source: United Nations Food and Agriculture Organization.

Table 9--World Total Grain Production, Consumption, and Net Exports 4/

	1960/61 - 62-63			1969/70 - 71/72			1976/77			1977/78 2/			1978/79 3/		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
	Million metric tons														
Developed Countries	317.6	301.9	15.9	404.0	377.6	26.9	447.2	377.6	56.7	478.6	387.9	77.4	503.0	399.6	81.5
United States	188.3	139.8	32.5	208.7	168.9	38.8	235.9	133.5	78.2	260.6	160.9	85.2	264.5	167.4	86.1
Canada	23.8	15.1	9.6	34.4	22.1	14.4	64.7	21.9	16.7	62.2	41.2	19.2	40.8	21.8	17.9
EC-9	21.5	22.0	-21.5	34.4	111.5	-16.1	91.4	113.5	-22.3	104.0	113.3	-10.9	114.8	117.3	-5.0
Other Western Europe	20.7	24.9	-4.3	28.9	33.7	-4.9	33.4	41.9	-8.3	31.9	42.3	-3.7	36.3	44.2	-9.1
South Africa	7.0	4.7	1.7	10.1	7.1	1.4	12.5	8.8	1.5	12.6	9.0	2.9	11.7	9.0	3.7
Japan	15.6	21.0	-5.3	12.7	27.9	-14.4	11.2	32.0	-21.4	12.5	33.1	-22.7	12.2	34.0	-23.3
Oceania	10.8	4.4	6.2	15.0	6.3	10.8	18.1	6.0	12.2	14.7	6.1	13.4	22.7	5.9	11.1
Centrally Planned Countries	292.3	295.7	-3.4	408.7	424.1	-6.5	506.1	514.9	-21.6	474.8	524.5	-34.8	514.8	538.6	-35.5
Eastern Europe	57.6	64.3	-6.7	75.0	83.0	-7.4	94.2	104.1	-11.6	93.8	104.1	-10.5	92.4	105.2	-11.8
USSR	126.3	119.0	7.3	167.4	171.8	4.0	213.2	209.8	-7.6	186.2	217.9	-18.8	220.0	218.9	-11.7
People's Republic of China	108.3	112.4	-4.0	166.2	169.3	-3.1	198.7	201.1	-2.4	194.9	202.4	-7.6	202.4	214.4	-12.0
Developing Countries	240.5	252.2	-13.0	315.4	335.0	-20.4	379.0	397.1	-27.7	370.0	414.1	-38.2	391.0	428.0	-39.1
Middle America	9.7	10.5	-0.8	16.1	17.3	-1.0	20.1	23.8	-2.5	18.0	24.5	-5.1	20.7	25.5	-5.1
Venezuela	5.5	5.9	-0.4	8.8	1.8	-1.0	8.8	2.7	-1.8	1.5	3.2	-1.7	1.7	3.4	-1.7
Brazil	13.8	15.7	-2.3	20.4	22.0	-1.8	27.8	28.6	-1.2	21.9	27.9	-5.9	27.7	29.6	-5.2
Argentina	13.2	8.3	5.1	19.4	11.2	8.2	28.1	11.3	15.3	23.3	11.2	13.4	23.5	11.4	12.9
Other South America	5.6	6.7	-1.0	6.8	8.9	-2.1	8.2	10.5	-2.7	7.5	10.9	-3.1	7.8	11.3	-3.4
North Africa/Middle East	31.7	37.0	-5.6	40.4	49.5	-9.2	54.7	66.1	-16.2	48.6	67.7	-19.5	53.6	70.8	-18.0
Central Africa	19.0	19.8	-0.8	22.5	24.3	-1.8	23.4	26.4	-3.4	22.8	26.6	-3.9	23.5	27.2	-3.5
East Africa	7.4	7.3	0.1	9.6	9.8	-0.3	10.4	10.3	-0.1	10.5	10.9	-0.3	10.6	11.1	-0.4
South Asia	92.1	97.4	-6.1	119.1	123.4	-5.1	133.7	137.5	-5.6	146.6	148.3	-2.7	149.2	152.9	-2.7
Southeast Asia	17.3	13.4	4.0	22.9	19.8	3.3	21.7	16.7	5.5	19.9	16.8	2.8	21.4	17.2	4.1
East Asia	23.7	27.8	-4.3	30.3	37.9	-8.4	36.3	47.1	-12.6	36.4	50.0	-13.4	38.6	52.3	-13.4
Rest of World	6.5	7.5	-0.9	6.9	9.2	-2.3	13.7	16.1	-2.4	13.1	16.0	-2.9	12.7	15.3	-2.9
Total above	850.3	849.8	0.5	1,128.1	1,136.8	-8.7	1,352.3	1,289.6	-62.7	1,323.3	1,326.4	-3.1	1,408.8	1,366.2	-42.6
World Total 1/	850.3	849.8	0.5	1,127.4	1,139.1	-11.7	1,352.6	1,297.8	-54.8	1,322.3	1,329.7	-7.4	1,408.8	1,366.8	-42.0

1/ World totals taken from the September issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary.

3/ Forecast.

4/ Net export figures are on a July-June basis.

Table 10--World Wheat Production, Consumption, and Net Exports ^{1/}

	1960/61 - 62/63			1969/70 - 71/72			1976/77			1977/78 ^{2/}			1978/79 ^{3/}		
	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports	Production	Consumption	Net Exports
Million metric tons															
Developed Countries	94.2	74.3	20.7	112.0	87.8	24.8	147.0	85.4	42.9	134.5	87.8	52.4	143.6	87.7	52.2
United States	33.4	16.3	18.1	40.0	21.9	17.7	25.7	20.8	25.7	55.1	23.1	31.0	43.4	21.2	31.0
Canada	12.4	4.0	9.4	13.9	4.7	11.4	23.6	5.0	12.9	19.8	4.8	16.0	20.7	4.8	14.5
EC-9	29.8	36.0	-7.2	36.9	40.9	-3.3	33.1	38.5	1.0	38.5	39.0	46.9	46.9	40.3	3.9
Other Western Europe	8.5	10.5	-2.1	9.9	10.7	-0.8	11.6	10.4	1.2	9.2	10.2	-2	10.6	10.7	0.7
South Africa	1.6	1.9	-0.3	1.5	1.3	-0.2	2.2	1.7	0.5	1.8	1.7	1.2	1.7	1.7	0.1
Japan	1.6	4.2	-2.7	0.6	5.3	-4.7	2.2	5.7	-5.5	5.7	5.9	-5.6	4.6	5.9	-5.6
Oceania	7.7	2.4	5.2	9.3	3.0	8.5	12.0	3.2	8.5	9.7	3.1	11.2	14.9	3.2	8.0
Centrally Planned Countries	103.1	107.7	-4.3	148.8	160.4	-3.7	176.5	178.9	-11.0	166.9	193.5	-17.6	193.0	196.1	-14.4
Eastern Europe	16.9	22.3	-5.5	26.3	30.8	-4.6	34.7	38.3	-4.3	34.2	37.4	-3.2	34.0	37.4	-2.7
USSR	67.2	62.5	5.0	92.8	96.0	4.8	96.9	92.5	-3.6	97.2	107.0	-5.9	115.0	105.7	-2.7
People's Republic of China	19.0	22.8	-3.8	29.7	33.6	-3.9	45.0	48.1	-3.1	40.5	49.1	-8.6	44.0	53.0	-9.0
Developing Countries	43.1	57.9	-15.3	63.9	86.9	-23.7	91.5	111.0	-27.9	80.0	116.9	-33.5	86.7	120.8	-33.4
Middle America	1.4	1.9	-0.6	2.1	2.9	-0.8	3.4	4.1	-0.7	3.1	4.3	-1.8	2.7	4.4	-1.8
Venezuela	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Brazil	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Argentina	5.1	3.5	2.0	5.9	4.4	1.6	11.0	4.4	5.7	2.0	5.8	-3.1	2.5	6.5	-4.2
Other South America	1.9	3.0	-1.1	1.9	3.8	-1.6	2.1	4.2	-2.3	1.3	4.4	-2.5	1.6	4.5	-2.6
North Africa/Middle East	15.7	20.4	-4.9	20.5	28.3	-8.0	29.6	38.1	-12.0	26.5	39.5	-28.4	28.4	40.8	-12.7
Central Africa	7.7	1.1	6.6	9.9	2.0	7.9	5.5	2.3	-1.9	5.5	2.6	-2.2	5.5	2.7	-2.3
East Africa	1.5	1.3	-0.2	3.3	3.7	-0.4	3.3	2.3	-0.3	3.3	2.7	-0.4	3.3	2.7	-0.4
South Asia	17.5	22.1	-5.1	30.1	33.7	-3.6	41.1	43.3	-2.2	41.6	46.3	-3.0	43.0	47.9	-3.3
Southeast Asia	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
East Asia	2.2	2.0	0.2	2.2	4.2	-2.0	4.1	4.2	-2.1	4.1	5.0	-0.9	4.1	5.2	-5.3
Rest of World	2.2	2.8	-0.6	3.3	2.2	-1.9	4.4	2.3	-1.9	4.4	2.7	-2.4	4.4	2.4	-2.0
Total above	240.3	239.9	---	324.7	335.1	---	415.1	375.2	---	381.4	398.3	---	423.4	404.6	---
World Total ^{1/}	240.3	239.9	---	324.6	335.7	---	415.1	379.8	---	381.5	399.0	---	422.5	407.3	---

^{1/} World totals taken from the September issue of the Foreign Agricultural Circular on grains.^{2/} Preliminary^{3/} Forecast^{4/} Net export figures are on a July-June basis.

Table 11--World Coarse Grain Production, Consumption and Net Exports 4/

	1960/61 = 62/63				1969/70 = 71/72				1976/77				1977/78 2/				1978/79 3/			
	Produce- tion	Consump- tion	Net Exports		Produce- tion	Consump- tion	Net Exports		Produce- tion	Consump- tion	Net Exports		Produce- tion	Consump- tion	Net Exports		Produce- tion	Consump- tion	Net Exports	
	Million Metric Tons																			
Developed Countries																				
United States	208.8	213.4	-2.4		276.5	275.6	-1.0		304.2	278.3	11.8		327.7	286.7	23.2		342.1	298.5	27.4	
Canada	133.0	122.5	13.3		165.8	145.7	19.4		193.8	131.2	50.3		202.3	136.4	52.0		211.8	144.8	53.0	
EC-9	11.4	11.4	-.2		20.5	17.4	3.0		21.1	16.8	3.9		22.4	16.3	3.3		20.1	17.0	3.5	
Other Western Europe	41.1	55.2	-14.2		56.7	69.9	-12.8		51.6	73.9	-22.9		65.0	75.3	-10.5		67.2	76.0	-8.6	
South Africa	11.9	14.0	-2.2		18.6	22.5	-4.1		21.5	31.0	-8.3		22.3	31.5	-9.4		25.3	33.0	-8.4	
Japan	6.2	3.7	1.9		8.7	5.7	1.6		10.2	7.0	1.4		10.6	7.3	2.8		10.0	7.3	3.8	
Oceania	2.3	4.8	-2.4		7.7	11.1	-10.3		15.7	15.7	-15.9		16.9	16.9	-17.0		17.9	17.9	-17.7	
	2.9	2.0	.9		5.4	3.2	2.1		5.7	2.7	3.4		4.7	3.0	1.9		7.4	2.6	2.8	
Centrally Planned Countries																				
Eastern Europe	137.1	136.1	.7		185.1	189.3	-3.2		242.8	249.4	-10.7		220.3	244.0	-17.8		231.3	252.6	-21.6	
USSR	50.6	51.7	-1.0		48.6	51.8	3.2		59.5	65.4	-7.1		59.4	66.3	-7.1		58.3	67.5	-8.8	
People's Republic of China	39.0	38.2	2.5		73.8	74.7	-.9		113.0	113.7	-3.7		92.6	109.3	-10.7		103.0	111.0	-8.8	
	37.5	38.2	-.7		62.6	62.7	-.1		68.4	68.3	.1		68.4	68.4	-.1		70.0	74.0	-4.0	
Developing Countries																				
Middle America	101.9	98.7	2.4		132.1	127.3	5.4		155.5	152.5	1.8		146.9	153.8	-2.4		158.3	161.0	-4.2	
Venezuela	7.8	8.0	-.2		13.4	13.6	-.1		15.9	18.6	-1.8		15.0	19.1	-3.2		17.0	20.0	-3.2	
Brazil	.5	.5	-.1		.7	.9	.3		.7	1.8	-1.1		1.1	2.0	-1.0		1.4	2.3	-1.0	
Argentina	9.8	9.9	-.1		14.6	14.4	1.0		19.7	17.6	1.3		14.8	16.5	1.7		19.4	17.4	2.0	
Other South America	7.6	4.7	3.1		13.3	6.7	6.6		16.9	16.8	9.5		17.6	6.7	10.8		16.0	6.9	10.2	
North Africa/Middle East	2.8	2.8	0.0		3.5	3.9	-.4		4.0	4.5	-.5		4.1	4.6	-.5		4.3	4.7	-.4	
Central Africa	14.3	14.8	-.6		17.1	18.5	-1.2		22.4	24.2	-3.1		19.4	24.3	-4.0		22.6	26.1	-4.0	
East Africa	18.2	16.3	1.9		18.9	19.0	-.1		19.8	20.2	-.3		19.3	19.7	-.4		19.8	20.1	-.3	
South Asia	7.1	6.9	.2		9.1	9.0	.1		9.8	9.2	.6		9.9	9.7	.2		10.0	9.9	.1	
Southeast Asia	27.3	27.0	.3		30.9	31.0	-.1		33.4	33.5	-.1		33.6	34.1	-.5		34.2	35.1	-.9	
East Asia	.9	.2	.7		2.3	.6	1.8		3.3	1.1	2.3		2.5	1.2	1.3		3.8	1.5	2.2	
East Asia	5.2	5.6	-.4		6.4	7.7	-1.6		7.4	12.4	-4.9		7.0	13.0	-5.9		7.4	14.2	-6.2	
Rest of World	2.1	2.2	-.1		1.8	2.0	-.2		2.7	2.8	-.1		2.5	2.8	-.3		2.5	2.9	-.4	
Total Above	447.8	448.2	-.4		593.6	592.1	1.5		702.6	680.3	22.3		694.9	684.5	10.4		731.7	712.1	19.6	
World Total 1/	447.8	448.2	-.4		593.2	594.1	-.9		702.1	681.6	20.5		693.8	688.0	5.8		732.4	709.0	23.4	

1/ World Totals taken from the September issue of the Foreign Agricultural Circular on Grains.

2/ Preliminary

3/ Forecast

4/ Net Export figures are on a July-June basis.

Table 12--World Milled Rice Production, Consumption, and Net Exports 4/

	1960/61-62/63			1969/70-71/72			1976/77			1977/78 2/			1978/79 3/		
	Produce- tion	Consump- tion	Net Exports	Produce- tion	Consump- tion	Net Exports	Produce- tion	Consump- tion	Net Exports	Produce- tion	Consump- tion	Net Exports	Produce- tion	Consump- tion	Net Exports
Developed Countries:															
United States	14.5	14.2	.6	15.6	14.2	2.2	15.9	13.9	2.0	16.4	13.4	1.8	17.3	13.4	1.9
Canada	1.9	.9	1.0	2.9	1.3	1.7	3.8	1.5	2.3	3.2	1.3	2.2	4.3	1.4	2.1
EC-9	5	.1	-1	7	.7	-1	7	1	-1	7	1	-1	7	1	-1
Other Western Europe	4	.8	-2	4	.7	-1	4	1	-1	4	1	-1	4	1	-1
South Africa	11.6	12.0	-2	11.4	11.5	.6	10.7	10.6	-.1	11.9	10.3	-.1	11.4	10.2	.1
Japan	11.6	12.0	-2	11.4	11.5	.6	10.7	10.6	-.1	11.9	10.3	-.1	11.4	10.2	.1
Oceania	1	1	0	1	1	0	1	1	0	1	1	0	1	1	0
Centrally Planned Countries:															
Eastern Europe	52.1	51.9	.2	74.9	74.4	.4	86.8	86.6	.1	87.6	86.9	.7	90.5	89.9	.6
USSR	1	.2	-.2	1	.4	-.2	1	.4	-.3	1	.4	-.2	1	.4	-.3
People's Republic of China	51.8	51.3	.6	73.9	73.0	.9	85.3	84.6	.7	86.0	84.9	1.1	88.4	87.4	1.0
Developing Countries:															
Middle America	95.6	95.7	-.1	119.4	120.9	-2.0	132.0	133.6	-1.6	143.1	143.4	-2.4	146.0	146.2	-1.5
Venezuela	5	.5	-.1	7	.8	-.1	8	1.1	-.2	9	1.1	-.1	10	1.2	-.1
Brazil	3.8	3.7	.1	4.1	4.0	.1	5.4	5.3	.4	5.1	5.6	-.2	5.7	5.7	-.1
Argentina	1	.1	0	2	.2	-.1	2	.1	.2	2	.1	.1	2	.1	.1
Other South America	1.0	.9	.1	1.4	1.3	.1	2.1	1.8	.2	2.0	1.9	.4	2.1	1.9	.2
North Africa/Middle East	1.7	1.8	-.1	2.8	2.7	.1	2.8	3.8	-1.1	2.7	3.9	-1.2	2.7	3.9	-1.3
Central Africa	2.1	2.4	-.4	2.7	3.3	-.6	3.1	4.0	-1.2	3.0	4.3	-1.1	3.2	4.3	-.8
East Africa	1	.2	-.1	2	.2	0	3	.4	-.1	3	.4	-.1	3	.4	-.1
South Asia	47.3	48.3	-.9	58.1	58.6	-.6	59.1	60.7	-.2	71.4	67.8	.3	72.0	69.9	.6
Southeast Asia	16.4	13.0	3.4	20.5	18.8	1.9	18.4	15.4	3.4	17.3	15.4	1.8	17.5	15.4	2.1
East Asia	18.3	20.2	-2.1	23.7	25.9	-2.7	28.8	29.9	-2.7	29.4	32.1	-2.5	31.1	32.9	-1.9
Rest of World	4.3	4.5	-.2	4.8	5.0	-.2	10.7	11.0	-.3	10.3	10.5	-.2	9.8	10.0	-.5
Total Above	162.2	161.8	-.4	209.8	209.5	-.3	234.6	234.1	-.5	247.1	243.7	-.4	253.8	249.5	-.4
World Total 1/	162.2	161.8	-.4	209.6	209.3	-.3	235.4	236.4	-.9	247.0	242.7	-.4	253.9	250.5	-.4

1/ World total taken from the November issue of the Foreign Agricultural Circular on grains.

2/ Preliminary.

3/ Forecast.

4/ Net export figures are on a July-June basis.

Table 13--World Production, Net Exports, and Disappearance of High Protein Meals 1/, 2/, 3/

Region	1975			1976			1977 4/			1978 5/			1979 5/		
	Produce- tion 1/	Net Exports 2/	Disap- pearance 3/	Produce- tion 1/	Net Exports 2/	Disap- pearance 3/	Produce- tion 1/	Net Exports 2/	Disap- pearance 3/	Produce- tion 1/	Net Exports 2/	Disap- pearance 3/	Produce- tion 1/	Net Exports 2/	Disap- pearance 3/
Million metric tons															
Developed Countries															
United States	27.1	14.1	12.8	33.6	17.4	14.9	28.5	17.7	14.0	39.0	23.0	14.8	39.7	22.5	17.3
Canada	1.0	-3	1.3	1.2	-1	1.3	.7	-1	.8	1.3	-2	1.5	1.9	.1	1.8
EC-9	1.2	-12.2	13.4	1.0	-14.5	-15.5	.9	-15.3	16.2	1.1	-17.7	18.8	1.4	-18.4	19.8
Other Western Europe	1.2	-2.6	3.8	1.1	-3.2	4.3	1.1	-3.1	4.2	1.2	-3.7	4.9	1.3	-4.2	5.5
Japan	1.2	-3.1	4.3	1.2	-3.8	5.0	1.2	-4.0	5.2	1.3	-4.7	6.0	1.3	-5.2	6.5
Australia/New Zealand	.2	---	.2	.2	---	.2	.2	-1	.3	.2	-1	.3	.2	-2	.4
South Africa	.7	.2	.5	.6	.2	.4	.7	---	.7	.7	---	.7	.6	---	.6
Subtotal	32.6	---	36.3	38.9	---	41.6	33.3	---	41.4	44.8	---	47.0	46.4	---	51.9
Centrally Planned Countries															
Eastern Europe	1.4	-4.2	5.6	1.5	-4.5	6.0	1.1	-5.0	6.1	1.3	-5.6	6.9	1.4	-5.7	7.1
USSR	4.8	-4	5.2	4.4	-1.5	5.9	4.6	-1.1	5.7	5.0	-8	5.8	4.6	-1.4	6.0
People's Republic of China	5.0	-3	5.3	5.8	-5	6.3	5.5	-2	5.7	5.3	-1	5.4	6.0	---	6.0
Subtotal	11.2	---	16.1	11.7	---	18.2	11.2	---	17.5	11.6	---	18.1	12.0	---	19.1
Developing Countries															
Mexico/Central America	1.0	-1	1.1	.9	-4	1.3	.7	-6	1.3	.9	-9	1.8	.9	-1.2	2.1
Brazil	7.8	5.6	2.2	8.5	7.1	1.4	9.5	7.5	2.0	7.8	5.4	1.4	10.2	8.4	1.8
Argentina	1.1	.6	.5	1.4	.9	.5	2.0	1.6	.4	3.0	2.6	.4	3.5	3.0	.5
Other South America	1.8	1.0	.8	1.8	1.3	.5	1.2	.7	.5	1.2	.6	.6	1.6	.9	.7
North Africa	.8	.3	.5	.7	.3	.4	.8	.2	.6	.9	.2	.7	.9	.2	.7
Central Africa	1.8	.9	.9	1.8	.9	1.0	1.7	.8	.9	1.7	.7	1.0	1.8	.8	1.0
West Asia	.8	-1	.9	.8	-3	1.1	.8	-3	1.2	.9	-4	1.3	.9	-5	1.4
South Asia	3.9	.9	3.0	4.7	1.8	2.9	4.0	1.2	2.8	4.6	1.0	3.6	4.2	1.4	2.8
Southeast Asia	.3	.1	.2	.3	---	.3	.3	.1	.2	.3	.1	.2	.3	.1	.2
East Asia	1.0	---	1.0	1.1	---	1.1	1.0	---	1.0	1.2	-2	1.4	1.1	-4	1.5
Subtotal	20.5	---	11.5	22.3	---	10.4	22.0	---	10.9	22.5	---	12.4	25.4	---	12.7
World Total	64.3	---	64.1	72.8	---	71.5	66.5	---	69.7	78.8	---	77.6	83.7	---	83.8

1/ Includes soybeans, peanuts, cottonseed, rapeseed, sunflowerseed, flaxseed, copra, palm kernels, sesameseed, and fishmeal on a 44 percent soybean meal equivalent basis.

2/ World, U.S., and country or region production and trade data from FAS, OAP. Some country and region figures are estimated from partial data.

3/ Totals may not add due to rounding and lack of perfect comparability among data.

4/ Preliminary.

5/ Forecast

6/ Meal production from domestically produced seed.

Table 15--Beef and veal production, slaughter, cattle numbers, slaughter rate, and slaughter weight, selected regions of the world, 1974 to 1978

Item and date	World <u>1/</u>	Commercial world <u>2/</u>	United States	Commercial world less United States	Australia and New Zealand	Argentina
<u>Beef Production</u>				<u>Million tons</u>		
1974	37.5	23.2	10.7	12.5	1.7	2.2
1975	39.5	24.8	11.3	13.5	2.2	2.4
1976	41.2	26.5	12.2	14.3	2.5	2.8
1977 <u>3/</u>	41.6	26.3	11.8	14.5	2.6	2.9
1978 <u>3/</u>	41.3	25.5	11.2	14.3	2.4	3.0
<u>Slaughter</u>				<u>Million head</u>		
1974	181.3	100.0	40.5	59.5	9.9	10.1
1975	197.8	113.5	46.9	66.7	13.1	12.1
1976	204.5	118.9	48.7	70.2	14.1	13.9
1977 <u>3/</u>	207.1	119.5	48.1	71.4	16.0	14.7
1978 <u>3/</u>	205.6	115.2	44.7	70.5	14.5	15.0
<u>Cattle number</u>				<u>Million head</u>		
1974	943.7	356.5	127.8	228.7	40.2	56.8
1975	960.0	367.2	132.0	235.2	42.5	58.7
1976	959.9	361.4	128.0	233.5	43.2	57.8
1977 <u>3/</u>	957.0	353.7	122.8	230.9	41.0	57.7
1978 <u>3/</u>	954.7	344.2	116.3	227.9	38.7	56.7
<u>Slaughter rate</u>				<u>Percent of head</u>		
1974	19.2	28.1	31.7	26.0	24.6	17.8
1975	20.6	30.9	35.5	28.3	30.8	20.7
1976	21.3	32.9	38.1	30.1	32.6	24.0
1977 <u>3/</u>	21.6	33.8	39.1	30.9	39.0	25.5
1978 <u>3/</u>	21.5	33.5	38.4	30.9	37.4	26.4
<u>Slaughter weight</u>				<u>Kilograms</u>		
1974	206.7	232.4	264.6	210.4	171.7	213.8
1975	199.7	218.3	240.5	202.8	167.9	200.8
1976	201.6	222.7	249.7	204.0	177.3	202.7
1977 <u>3/</u>	200.7	220.2	246.3	202.7	162.5	197.5
1978 <u>3/</u>	200.7	221.4	250.5	203.0	165.5	197.0

1/ "Selected countries" of the world, as reported by FAS. See Foreign Agricultural Circular: Livestock and Meat, FLN 10-78. September 1978.

2/ United States, Canada, European Community, Japan, Australia, New Zealand, Mexico, Central America, and Argentina.

3/ Preliminary.

Table 16--World centrifugal sugar production by regions and major countries, average
1969/70-1971/72 and annual 1976/77-1978/79

Country and region	Production			
	1969/70- 71/72	1976/77	1977/78	1978/79 <u>2/</u>
North America	17,516	18,791	19,183	19,234
Canada	127	165	149	116
United States <u>1/</u>	5,587	6,234	5,513	5,605
Cuba	6,382	6,100	7,000	6,500
Dominican Republic	1,073	1,222	1,179	1,270
Mexico	2,466	2,697	3,030	3,200
Other North America	1,881	2,373	2,312	2,543
South America	9,133	12,761	13,541	12,568
Argentina	956	1,592	1,661	1,379
Brazil	5,119	7,500	8,600	7,680
Other South America	3,058	3,689	3,783	3,509
Western Europe	11,074	13,191	14,668	14,137
EC-9	9,318	10,458	12,099	11,662
Other Western Europe	1,756	2,721	2,632	2,475
Eastern Europe	4,232	5,300	5,660	5,480
USSR	8,592	7,350	8,825	9,000
Africa	4,729	6,125	6,187	6,379
South Africa Republic	1,637	2,166	2,211	2,122
Asia	12,781	19,683	20,310	20,072
China, People's Republic	1,957	2,600	2,970	3,000
India	4,113	6,043	7,720	7,000
Japan	485	565	640	702
Philippines	1,951	2,750	2,397	2,155
Oceania	2,813	3,712	3,691	3,300
Australia	2,467	3,405	3,322	3,000
World Total	70,908	86,913	92,065	90,170

1/ Includes Hawaii and Puerto Rico.

2/ Estimate.

Source: Foreign Agricultural Service.

Table 17--World cocoa bean production

Country and region	Average 1969/70-71/72	1976/77	1977/78	1978/79 ^{1/}
Thousand metric tons				
Latin America	367.1	432.3	501.4	475.3
Dominican Republic	36.8	33.0	34.0	35.0
Mexico	26.8	24.1	36.0	36.0
Brazil	183.1	234.0	281.0	250.0
Colombia	16.6	28.0	30.0	32.0
Ecuador	59.3	68.0	72.0	74.0
Venezuela	18.7	16.6	18.0	17.0
Africa	1,088.0	856.7	911.6	861.5
Cameroon	114.6	84.5	105.0	107.0
Ghana	423.4	325.0	271.0	255.0
Ivory Coast	192.9	232.4	282.0	275.0
Nigeria	271.0	165.0	203.0	175.0
Asia and Oceania	41.0	59.6	63.8	67.9
Malaysia	3.5	20.0	24.0	27.0
Papua/New Guinea	27.1	27.8	28.0	29.0
World	1,496.1	1,348.6	1,476.8	1,404.7

^{1/} Forecast.

Source: Foreign Agricultural Service.

Table 18--U.S. imports of cocoa beans by country of origin, fiscal years 1968/69-1977/78

Country and region	1968/69-1970/71 Average	1975/76	1976/77	1977/78
			1,000 metric tons	
Latin America				
Brazil	106.5	130.4	79.5	77.6
Dominican Republic	49.3	80.3	29.3	33.9
Ecuador	27.5	22.6	25.5	23.5
Venezuela	12.4	11.0	5.4	5.4
	3.9	4.5	1.8	0.3
Africa				
Ghana	139.0	129.0	107.0	91.0
Ivory Coast	91.7	51.5	36.0	24.5
Nigeria	20.9	29.9	43.3	39.6
	23.7	44.0	26.7	24.8
Asia and Oceania				
Papua/New Guinea	5.9	17.0	6.5	7.0
	5.6	14.7	5.6	6.0
World 1/	252.0	276.5	193.1	176.1

1/ Includes minor other imports, mostly European re-exports.

Source: Economics, Statistics, and Cooperatives Service.

Table 19--World coffee production and exportable production

	Production					Exportable production 1/				
	: 1975/76 : 1976/77 : 1977/78 : 1978/79 :			Average		: 1975/76 : 1976/77 : 1977/78 : 1978/79 :			Average	
	: 1969/70-71/72 :	2/ :	3/ :	: 1969/70-71/72 :	3/ :	: 1969/70-71/72 :	2/ :	3/ :	: 1969/70-71/72 :	2/ :
	1,000 bags (60 kg. each)									
N. and S. America :	40,552	48,975	35,560	45,011	48,754	25,955	34,801	22,921	31,184	34,184
Mexico :	3,225	4,200	3,750	3,750	3,800	1,696	2,660	2,500	2,250	2,200
Guatemala :	1,897	2,149	2,534	2,250	2,600	1,648	1,859	2,236	1,942	2,280
El Salvador :	2,423	2,328	2,525	2,000	2,900	2,268	2,158	2,340	1,810	2,705
Brazil :	17,450	23,000	9,300	17,500	20,000	8,867	15,000	2,300	10,000	12,000
Colombia :	7,817	8,500	9,300	9,800	10,100	6,407	7,100	7,900	8,300	8,550
Africa :	19,735	18,447	18,827	16,871	19,003	19,362	17,109	17,401	15,394	17,467
Angola :	3,333	1,200	1,200	1,400	1,500	3,233	1,140	1,140	1,340	1,440
Ethiopia :	2,083	1,900	2,000	1,900	1,900	1,422	1,175	1,275	1,150	1,140
Ivory Coast :	4,358	5,133	4,800	3,333	5,000	4,295	5,066	4,733	3,250	4,900
Uganda :	3,067	2,800	2,700	2,600	2,600	3,050	2,778	2,678	2,578	2,578
Asia and Oceania :	5,209	5,771	6,415	6,618	6,745	2,646	3,589	4,251	4,815	4,802
India :	1,417	1,478	1,791	2,008	2,092	960	729	941	1,141	1,209
Indonesia :	2,267	2,865	3,089	3,117	3,185	1,423	1,965	2,275	2,699	2,675
World :	65,496	73,193	60,802	68,500	74,502	47,105	55,499	44,573	51,393	56,453

1/ Total harvested production less estimated domestic consumption.

2/ Estimated.

3/ Forecast.

Source: Foreign Agricultural Service.

Table 20--U.S. green coffee imports by country of origin, fiscal years 1968/69-1977/78

Country and region	1968/69-1977/78 Average	1975/76	1976/77	1977/78
Latin America				
Mexico	13,360	11,735	11,314	10,502
Guatemala	1,115	1,942	1,526	1,186
El Salvador	808	700	802	925
Brazil	580	888	1,229	396
Colombia	5,780	2,431	3,468	1,872
Ecuador	2,633	2,861	1,902	2,474
	478	614	646	866
Africa				
Angola	6,607	6,373	3,849	3,969
Ethiopia	1,413	1,389	4	212
Ivory Coast	1,003	815	318	434
Uganda	1,163	1,467	839	608
	985	916	1,134	563
Asia and Oceania				
India	1,170	1,783	1,217	1,396
Indonesia	90	274	136	246
	932	1,247	861	928
World 1/	21,223	19,935	16,406	15,878

1/ Includes minor other imports, mostly European re-exports.

Source: Economics, Statistics, and Cooperatives Service.

Table 21--World cotton production, trade, and mill consumption

	Production				Exports				Imports				Consumption			
	1969/70- 71/72	1976/77	1977/78	1978/79 : 1/ 71/72	1969/70- 71/72	1976/77	1977/78	1978/79 : 1/ 71/72	1969/70- 71/72	1976/77	1977/78	1978/79 : 1/ 71/72	1969/70- 71/72	1976/77	1977/78	1978/79 : 1/ 71/72
	Million 480-lb. bales															
United States	10.2	10.6	14.4	10.7	3.4	4.8	5.5	5.8	0.1	--	--	--	8.2	6.7	6.5	6.3
U.S.S.R.	10.1	12.0	12.7	12.3	2.5	4.3	4.1	3.8	1.0	0.5	0.4	0.4	8.2	9.1	9.1	9.1
China, People's Rep.	9.2	10.0	9.2	9.6	0.1	0.2	0.1	0.1	0.5	0.6	1.8	2.1	9.5	11.4	12.1	12.2
India	5.1	5.0	5.6	5.8	0.2	--	--	0.2	0.7	0.8	0.3	0.1	5.4	5.7	5.5	5.7
Pakistan	2.7	1.9	2.5	2.2	0.7	0.1	0.5	0.4	--	--	--	--	2.0	2.0	1.9	1.9
Brazil	2.8	2.5	2.1	2.4	1.5	0.1	0.2	0.2	--	--	--	--	1.4	2.1	2.1	2.2
Egypt	2.4	1.8	1.8	1.7	1.4	1.0	0.6	0.6	--	0.1	0.1	0.2	0.9	1.2	1.3	1.4
Turkey	2.0	2.2	2.6	2.3	1.3	0.6	1.2	1.2	--	--	--	--	0.8	1.5	1.2	1.3
Mexico	1.6	1.0	1.6	1.5	1.0	0.5	0.6	0.7	--	--	--	--	0.7	0.7	0.7	0.8
Central America	0.9	1.5	1.7	1.7	0.8	1.3	1.6	1.6	--	--	--	--	0.1	0.2	0.2	0.2
Sudan	1.1	0.7	0.8	0.7	1.0	0.6	0.6	0.6	--	--	--	--	0.1	0.1	0.1	0.1
EC-9	--	--	--	--	0.1	0.2	0.2	0.2	4.4	3.5	3.6	3.3	4.0	3.7	3.1	3.2
Eastern Europe	0.1	0.1	0.1	0.1	--	--	--	--	2.7	3.2	3.4	3.4	2.9	3.0	3.4	3.4
Japan	--	--	--	--	--	0.1	--	--	3.6	3.0	3.2	3.3	3.3	2.8	2.7	2.9
Hong Kong	--	--	--	--	--	0.1	0.1	0.1	0.7	1.0	1.0	0.8	0.7	0.9	0.9	0.8
Taiwan	--	--	--	--	--	--	--	--	0.6	1.0	1.1	1.2	0.6	1.0	1.0	1.2
Korea, Rep. of	--	--	--	--	--	--	--	--	0.5	0.9	1.3	1.3	0.5	1.0	1.2	1.3
Other	7.3	8.1	8.4	8.8	4.0	3.7	3.6	4.3	3.5	3.8	3.7	3.8	7.1	7.9	7.8	7.9
World Total	55.5	57.4	63.5	59.4	18.0	17.6	18.9	19.8	18.3	18.4	19.9	19.9	56.4	61.0	60.8	61.9

1/ Estimated.

SOURCE: Foreign Agricultural Service.

Table 23--World leaf tobacco production in selected regions and countries, average 1969-71 and annual 1974-78

Region and Country	Average 1969-71	1974	1975	1976	1977 ^{1/}	1978 ^{2/}
1,000 Metric tons ^{3/}						
North America	1,065	1,190	1,241	1,233	1,147	1,222
United States	819	904	992	970	869	911
Canada	107	115	106	82	104	115
Mexico	61	67	52	64	64	68
Other North America	79	104	91	117	110	128
South America	341	426	498	477	510	513
Brazil	193	226	286	276	310	329
Argentina	60	98	97	95	83	62
Colombia	44	41	58	39	58	62
Other South America	44	61	57	67	59	60
West Europe	242	262	327	352	307	322
EC-9	134	156	180	180	164	173
Greece	84	81	118	140	119	113
Spain	22	22	27	29	22	32
Other West Europe	2	3	3	3	2	4
East Europe	320	344	414	474	401	389
Bulgaria	115	140	162	165	150	170
Poland	82	65	102	125	87	62
Yugoslavia	44	59	58	75	69	60
Other East Europe	79	80	82	109	95	97
USSR	255	313	298	303	302	300
Asia	2,055	2,387	2,371	2,518	2,535	2,580
People's Republic of China	771	984	960	970	975	975
India	353	462	395	350	414	430
Turkey	154	203	209	324	245	290
Japan	160	151	166	176	173	173
Indonesia	112	78	83	80	76	70
Pakistan ^{4/}	162	17	116	106	136	122
Philippines	87	79	66	89	84	79
South Korea	60	96	104	113	144	139
Thailand	44	53	63	69	70	67
Other Asia	152	4	173	200	218	235
Africa	194	230	244	258	264	256
Rhodesia	64	80	95	103	83	56
South Africa	35	34	27	33	42	49
Malawi	20	27	35	38	53	56
Other Africa	75	89	87	84	86	95
Oceania	20	18	20	18	20	20
Australia	16	15	17	15	17	16
New Zealand	4	3	3	3	3	4
World Total	4,492	5,190	5,413	5,655	5,486	5,600

Note: Individual items may not precisely add to totals because of rounding.

^{1/} Subject to revision.

^{2/} Preliminary.

^{3/} Farm - sales - weight.

^{4/} Includes Bangladesh.

Sources: Foreign Agricultural Service, Economics; Statistics and Cooperatives Service; and U.S. Agricultural Attache Tobacco reports.

Table 24--Unmanufactured tobacco exports by selected countries, average
1969-71 and annual 1974-77

Country	Average 1969-71	1974	1975	1976	1977 <u>1/</u>
- - - - - 1,000 metric tons <u>2/</u> - - - - -					
United States	239	300	259	266	286
Brazil	54	93	101	106	106
Bulgaria	60	69	71	70	70
India	53	81	77	80	75
Turkey	75	112	66	75	62
Italy	12	65	59	53	40
Greece	65	67	52	54	53
South Korea	17	41	44	40	47
Philippines	39	34	38	28	26
Rhodesia	40	70	80	75	80
Dominican Republic of	21	41	31	33	20
Malawi	18	31	34	36	38
Canada	30	34	27	26	24
Indonesia	11	27	20	20	26
Yugoslavia	17	19	25	25	20
Argentina	15	7	33	27	24
Paraguay	18	24	25	28	22
Mexico	10	26	17	18	18
Colombia	14	22	10	21	17
West Germany	25	31	34	32	32
Sub-total	836	1,194	1,103	1,113	1,090
Other countries	162	219	187	214	179
World total	998	1,413	1,290	1,327	1,269

Note: Individual items may not precisely add to totals because of rounding.

1/ Subject to revision.

2/ Declared weight.

Sources: Foreign Agricultural Service and Economics, Statistics and
Cooperatives Service.

Table 25--U.S. exports of unmanufactured tobacco by major destination, average
1969-71 and annual 1974-78

Country of Destination	Average	1974	1975	1976	1977	January-October	
	1969-71					1977	1978 <u>1/</u>
	----- 1,000 Metric tons <u>2/</u> -----						
Japan	18	50	37	60	61	23	19
European Community	(143)	(134)	(125)	(107)	(107)	(NA)	(NA)
United Kingdom	48	43	36	33	21	17	48
West Germany	45	44	41	33	36	30	19
Italy	10	11	14	15	18	18	18
Netherlands	16	14	14	11	14	12	11
Denmark	8	6	8	4	8	7	8
Ireland	5	5	4	4	2	NA	NA
Belgium-Luxembourg	7	7	4	3	5	NA	NA
France	4	4	4	4	3	NA	NA
Switzerland	10	10	12	11	13	11	9
Egypt	1	6	5	5	12	12	11
Sweden	7	7	7	6	5	5	7
Thailand	10	9	9	10	7	7	8
Philippines	3	5	5	6	7	6	5
Australia	6	9	7	5	6	6	5
Taiwan	4	11	7	6	9	5	8
Malaysia	4	5	3	3	6	5	4
New Zealand	2	2	2	2	2	NA	NA
Sub-total	208	248	219	221	235	164	180
Other countries	31	52	40	45	51	52	55
World total	239	300	259	266	286	216	235

Note: Individual items may not precisely add to totals because of rounding.

N.A.: Not available.

1/ Preliminary.

2/ Declared weight.

Sources: Foreign Agricultural Service and Economics, Statistics and Cooperatives Service.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS



To stop mailing ☐ or to change your
address ☐ send this sheet with label
intact, showing new address, to Informa-
tion, Staff, ESCS, U.S. Dept. of Agricul-
ture, Rm. 0054 South Building, 14th &
Independence Ave. S.W., Wash., D.C.
20250.

6251 UNALCS A422 18121 0001
USDA NAT AGRIC LIBRARY CURRE-
NT SERIAL RECORD AL
BELTSVILLE MD 20012

WAS-18

DECEMBER 1978

AGRICULTURE
LIBRARY

JAN 11 1979

CURRENTS